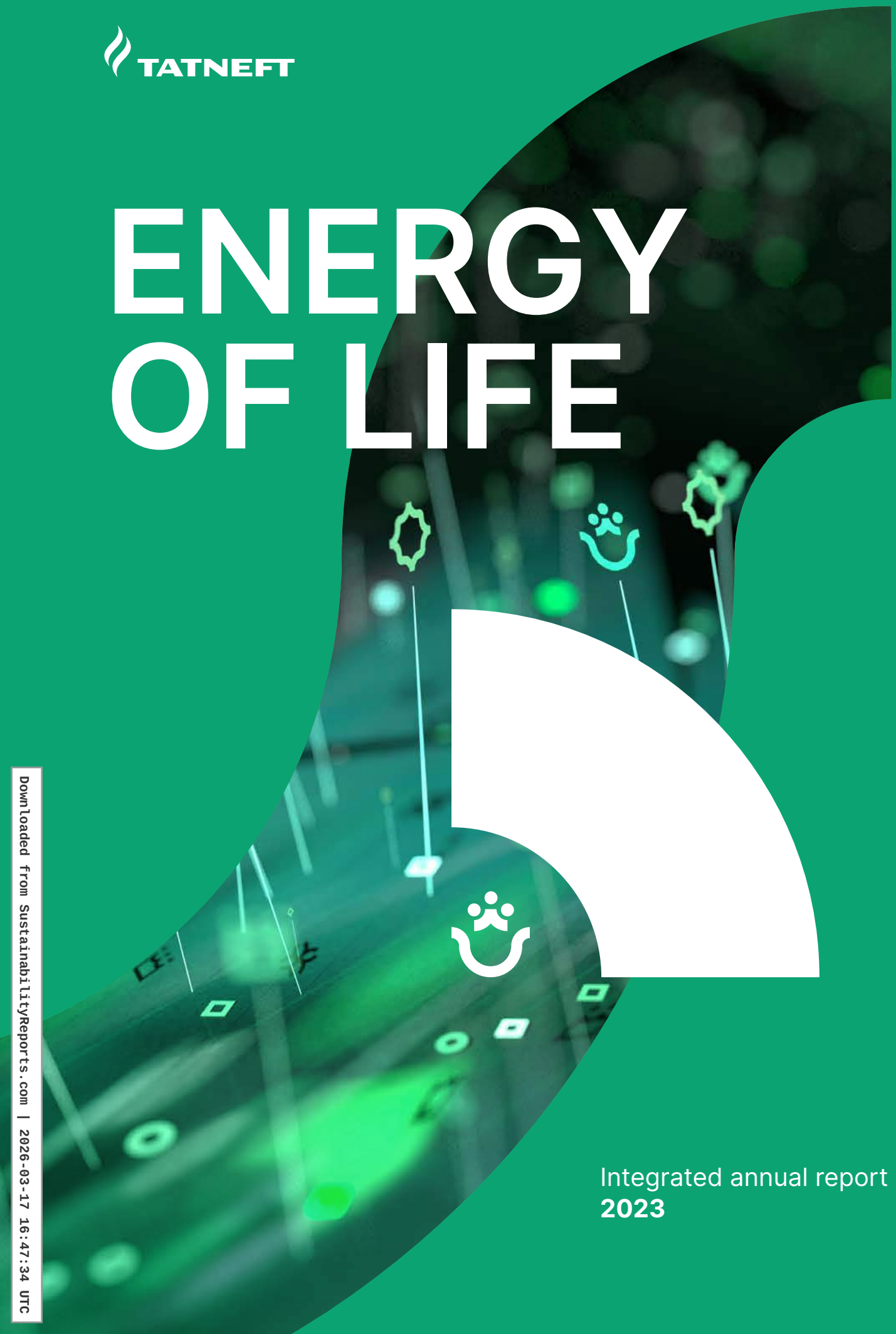
TATNEFT

ENERGY OF LIFE



Integrated annual report
2023

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ABOUT THE REPORT

GRI 2-2, 2-3, 2-5, 2-14

Integrated annual report of PJSC TATNEFT n.a. V.D. Shashin for 2023 (hereinafter referred to as the Report) contains the main priorities, goals, objectives, key indicators and significant events, actions and plans of the Company in the field of sustainable development, corporate, social and environmental responsibility.

The report, which includes indicators characterizing sustainable development and responsible behavior, has been issued by the Company annually since 2005. This Report was generated for the period from January 1 to December 31, 2023, and includes information on the TATNEFT Group as a whole. The Report also includes data on significant events after the reporting period. The financial reporting period is an annual period that coincides with the Report period. The previous Report was disclosed on June 30, 2023. The 2023 Integrated Annual Report of PJSC TATNEFT n.a. V.D. Shashin was preliminarily reviewed by the Board of Directors (Minutes 4-z dated 15.05.2024).

The Report is addressed to a wide range of stakeholders: shareholders and investors, representatives of state authorities, local self-government authorities, workers, partners and clients, public and environmental organizations, scientific and educational institutions, and the local population.

The key communication objective of the Report is the formation among stakeholders of the most complete understanding of the Company's activities, strategic plans, and the potential for their implementation, the results achieved, as well as the measures to improve the business efficiency, taking into account the aspects of sustainable development.

The Company has various channels for providing feedback. Suggestions on the Report are accepted via telephone and e-mail specified in the Contacts section. All messages are considered and taken into account when preparing the Report for the next period of activity. To avoid duplication of information, this Report provides links to other publicly available documents. Abbreviations and definitions of the concepts used are presented in the List of Abbreviations.

The Company believes that independent verification of the disclosed information, as well as the public assurance of the Report, are the important conditions for the Report preparation. The selected quantitative and qualitative information of the Report has been verified by the independent auditor and the corresponding report of the auditing firm is presented on page 275-278. The conclusion on passing the Report public assurance with the RUIE Nonfinancial Reporting Council is published on p. 274 of this Report.

SCOPE

The Report contains the results of the activities of PJSC TATNEFT n.a. V.D. Shashin and the organizations included in the TATNEFT Group. The TATNEFT Group is formed in accordance with International Financial Reporting Standards (IFRS). The financial indicators are disclosed based on the consolidated financial statements of the TATNEFT Group under IFRS for 2023, which were audited by JSC Technologies of Trust — Audit in accordance with international auditing standards.

According to the Report text, the names and words "TATNEFT," "TATNEFT Group," "Company," "Group," and the pronoun "we" shall mean the aggregate of legal entities, including Public Joint Stock Company TATNEFT named after V.D. Shashin and the organizations controlled by it with direct and indirect participation in their authorized capital, forming the TATNEFT Group.

The name and words "PJSC TATNEFT n.a. V.D. Shashin," "PJSC TATNEFT," "Company" in the Report text shall mean PJSC TATNEFT n.a. V.D. Shashin as a separate legal entity.

STANDARDS

In preparing this Report, we apply the following standards and guidelines:

- UN Global Compact Principles
- UN General Assembly Resolution "Transforming our world: 2030 Agenda for Sustainable Development No. 70/1 dated 25.09.2015
- GRI 2021 standards, industry standard GRI 11: Oil and Gas Sector 2021
- SASB Industry Standards (version 2023-06) for the mining and processing sector (Oil & Gas — Exploration & Production, Oil & Gas — Refining & Marketing)
- Recommendations of the Task Force on Climate-Related Financial Disclosures, TCFD
- Code of Corporate Governance recommended by Bank of Russia Letter No. 06-52/2463 dated 10.04.2014
- Regulation on Disclosing Information by Issuers of Issue-Grade Securities approved by Bank of Russia Order No. 714-P dated 27.03.2020
- Bank of Russia Letter No. IN-06-28/102 "On Disclosure of Information on Compliance with Corporate Governance Code Principles and Recommendations in Annual Reports of Public Joint Stock Companies" dated 27.12.2021

In preparing this Report, we are also guided by the following:

- Greenhouse Gas Protocol
- IPIECA Guidelines for Voluntary Reporting on Sustainable Development in Oil and Gas Sector
- International Integrated Reporting Framework
- ISO 26000 Guidance on Social Responsibility
- AA 1000 standards developed by the International Institute for Social and Ethical Reporting (Account Ability)
- Bank of Russia Information Letter No. IN-06-28/49 “On Recommendations for Disclosure by Public Joint Stock Companies of Nonfinancial Information Related Their Activities” dated 12.07.2021
- Order on Approval of Methodological Recommendations for the Preparation of Reporting on Sustainable Development No. 764 of the Ministry of Economic Development of Russia dated 01.11.2023
- Recommendations of the Russian Union of Industrialists and Entrepreneurs (RUIE) on maintaining and promoting the sustainable development agenda in modern Russian practice
- Baseline performance indicators. Recommendations for use in the RUIE management practice and in corporate non-financial reporting

The Report contains forward-looking statements regarding indicators characterizing the further development of the Company. The implementation of plans and intentions is connected with the changing political, economic, social, and legal situation in the Russian Federation and the world. Due to this, the actual results of operations may differ from those forecasted. For more information on forward-looking statements, please refer to the Important Statements section.

PRINCIPLE

Sustainable Development Context

When preparing the Report, the Company considers the results of its activities in the context of sustainable development. The Report outlines all significant issues, indicators, and initiatives in the field of preserving economic sustainability, improving environmental safety, and strengthening social stability in society. It also examines and analyzes aspects of human rights observance, ensuring cybersecurity and the level of combating and preventing corruption.

Accuracy

The Company is committed to ensuring that the information provided in the Report is accurate and detailed enough so that stakeholders can use it to make decisions with a high degree of confidence. The acceptable level of error in the data is minimized. Data are presented using the generally accepted international units and calculated using standard coefficients.

Balance

As part of observing the principle of balance, the Report reflects both favorable operating results and the problems the Company faces. The degree of attention to various issues is proportional to their relative materiality.

Clarity

The Company makes every effort to ensure that the information presented in the Report is clear, understandable, and useful for various stakeholders. The Report contains a list of abbreviations explaining the industry, scientific, and technical special terms and abbreviations.

Comparability

The Report ensures the comparability of the results of the Company’s activities over the past periods. To ensure a comparison of the Company’s performance with the results of other companies, when preparing the Report, the indicators included in the GRI and SASB guidelines and technical protocols were used.

Completeness

The Company is strongly committed to providing the fullest possible disclosure on the economic, environmental and social aspects of its operations. The set of issues reflected in the Report is sufficient for the users of the Report to assess the performance of the Company as a whole and its contribution to the sustainable development of society.

Timeliness

The Company understands the need for timely submission of information, therefore, the publication of the Report is carried out annually, within the time limits established by current legislation for the publication of annual reports.

Verifiability

The reliability of the data in the Report is confirmed by the Revision Commission. The Audit Committee evaluates approaches to disclosing information regarding the Company. The Board of Directors preliminarily reviews the Report and submits it for approval to the General Meeting of Shareholders. An important requirement is the independent verification of the selected information and the public assurance of the Report.

MATERIAL TOPICS

GRI 2-14, 2-29, 3-1, 3-2

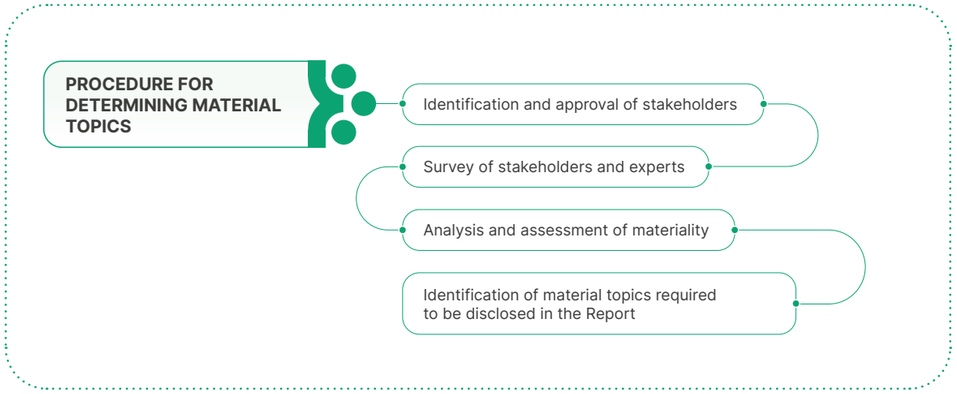
We strive to present information in a balanced manner in accordance with the interests of each group. The Company uses various forms and mechanisms of interaction with stakeholders to achieve sustainable development goals effectively. The procedure for interaction with key stakeholders is defined in the corporate standards.

To determine the material topics of the report, the Company analyzes and takes into account the aspects that affect the interests of the Company itself and its stakeholders as well as the aspects that affect the industry, social, environmental, and corporate factors in the reporting period.

The Company uses a reasonable approach to select the topics of the Report content. This approach is based on interaction with various stakeholder groups and their representatives, which allows for identifying the relevance of the topics concerning the Company's activities and taking into account their opinions and recommendations for analyzing opportunities to improve the effectiveness of socially oriented programs and investments in sustainable development. In the course of preparing the Report, the recommendations of GRI and SASB standards were analyzed, interviews were conducted with managers and specialists of the Company, group and individual meetings.

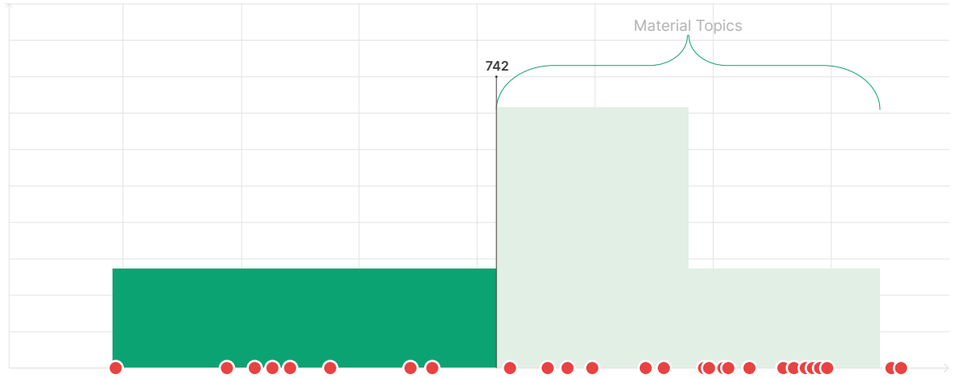
SASB standards focus on issues that affect how a business creates and maintains enterprise value, i.e. focused on "financial materiality". At the same time, the GRI standard goes beyond SASB's focus on issues that may affect the value of an enterprise by assessing "impact materiality" or the economic, environmental and social impact on the environment beyond its own financial prospects. Taking into consideration that the financial materiality of individual business areas of the Company may be insignificant within the entire TATNEFT Group, and the materiality criterion for the Group may exceed the cost of an individual business area, to ensure the principle of comparability we proceed from the position that the material topics of both standards have priority assessed by the degree of influence on stakeholders.

34 potentially material topics were identified, which were considered by the Company's Management Board for Sustainable Development, stakeholders were identified in accordance with the GRI recommendations followed by the assessment of each topic's impact on stakeholders according to four criteria. A survey of eight groups of stakeholders and experts was conducted. The scores for all criteria were summed up. Based on the obtained data array, a frequency diagram (histogram) was made in accordance with the Gaussian normal distribution function. Topics with a score of 742 or more points became the threshold for inclusion in the list of material ones.


PROCEDURE FOR DETERMINING MATERIAL TOPICS
Identification and approval of stakeholders
Survey of stakeholders and experts
Analysis and assessment of materiality
Identification of material topics required to be disclosed in the Report

Stakeholders:

- shareholders and investors
- workers and trade unions
- population and local communities
- new generations (preschoolers and students)
- counterparties
- clients
- educational institutions
- external organizations (NPOs, sports organizations)



The assessment of material topics identified 21 topics that met the materiality criteria. Industry standards SASB and GRI provide lists of potentially material topics. It was revealed during the analysis that stakeholders did not recognize some of the topics of the standard as material note: highlighted in grey in the table). The Company believes that these topics are regulated in detail by national legislation and do not need additional regulation by internal standards. Therewith, approaches to these topics are partially disclosed in this Report.

Compared to the list of material topics in the report of the previous period, there were the following changes:

not considered to be material:

- Anti-corruption

recognized as significant:

- Infrastructural transformations
- Resource efficiency
- Ethics and good faith

ognized as material by expert decision:

- Estimation of reserves and capital expenditures

Material topics	GRI O&G 11	SASB E&P	SASB R&M	add. topics
GHG Emissions	○	○	○	×
Adaptation to climate changes, resilience and transition	○	×	×	×
Air emissions. Ambient air protection	○	○	○	×
Biodiversity and land conservation	○	○	×	×
Waste management	○	×	○	×
Water and wastewater. Water protection	○	○	○	×
Closure and rehabilitation of production facilities	⁄			×
Critical incident management	○	○	○	×
Industrial Safety and Labor Protection	○	○	○	×
Employment practice	○	×	×	×
Non-discrimination and equal opportunity	⁄	×	×	×
Forced labor and modern slavery	⁄	×	×	×
Freedom of association and collective bargaining agreements	⁄	×	×	×
Economic consequences	○	×	×	×
Local communities	○	○	×	×
Land and resource rights	⁄	×	×	×
Rights of indigenous peoples	⁄	×	×	×
Conflicts and security	⁄	×	×	×
Anticompetitive behavior	⁄	×	⁄	×
Anti-corruption	⁄	⁄	×	×
Payments to governments	⁄	⁄	⁄	×
State policy	⁄	⁄	⁄	×
Estimation of reserves and capital expenditures	×	○	×	×
Education, professional development	×	×	×	○
Infrastructural transformations	×	×	×	○

Material topics	GRI O&G 11	SASB E&P	SASB R&M	add. topics
Cultural and social projects	×	×	×	○
Medical and healthcare services	×	○	○	○
Charity	×	×	×	○
Innovations	×	×	○	○
Youth policy	×	×	×	○
Resource efficiency	×	×	×	○
Digitalization and cybersecurity	×	×	×	○
Ethics and good faith	×	×	×	○
Security in foreign assets	×	×	×	⁄

○ — topic is provided for by the standard and selected as essential
⁄ — topic is provided for by the standard and is not selected as essential
× — the topic is not provided for by the standard

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ABOUT THE COMPANY

DISCOVERIES' ENERGY

GRI 2-1, 2-6

TATNEFT Group is one of the largest vertically integrated oil companies in Russia in terms of oil production, proved oil reserves and refining capacity with 80 years of experience. The core operations are the exploration, development, production, refining and marketing of crude oil and petroleum products. The Company is also engaged in the following activities:

- gas production and refining
- manufacture and sale of tire products and petrochemicals
- manufacture of industrial equipment
- providing of engineering design services
- supply of electric and thermal energy
- production of composite materials
- development of biological technologies
- industrial waste treatment

The Company's key production assets are located in the Russian Federation with the main concentration in the Republic of Tatarstan. Business projects are implemented in both domestic and foreign markets. The business infrastructure is formed by the geographical proximity of production facilities and efficient logistics.

The Company has been operating in the status of a public joint stock company listed on the international stock market for almost 30 years. The global reach of shareholders spans more than 30 countries.

PJSC TATNEFT named after V.D. Shashin was established in accordance with the President of the Republic of Tatarstan Decree No. UP-466 "On Measures for Transformation of State Enterprises, Organizations, and Associations into Joint Stock Companies" dated 26.09.1992, and the Republic of Tatarstan Law No. 1403-XII "On Transformation of State and Communal Property in the Republic of Tatarstan (on Denationalization and Privatization)" dated 05.02.1992. The Company is headquartered in Almetyevsk, the Republic of Tatarstan, the Russian Federation. The Company has representation offices in Moscow, Kazan, the Republic of Iraq, the Republic of Kazakhstan, the Republic of Uzbekistan, as well as branches in Libya and Turkmenistan.

The Company does not have a major controlling shareholder. The Government of the Republic of Tatarstan controls 34% of the authorized capital. The Company has a special right — a "golden share" — that allows the Government of the Republic of Tatarstan to appoint one representative to the Board of Directors and one representative to the Revision Commission of the Company as well as to veto resolutions of the General Meeting of Shareholders as specified by legislation.

The main industry peers are all Russian oil majors, including Rosneft, PJSC LUKOIL, PJSC Surgutneftegas, PJSC Gazprom Neft, and PJSC ANK Bashneft as well as international oil companies. The Company competes with oil companies for the right to supply crude oil and petroleum products, as well as technologies, equipment, and engineering services.

THE FUTURE WE CREATE TODAY BASED ON COMMON VALUE ORIENTATIONS AND OUR CULTURAL CODE

EXPERIENCE OF THE PAST
It is a foundation, basis, and formations.

ENERGY OF THE PRESENT
It is a life and energy.

SUSTAINABILITY OF THE FUTURE
It is a symbol of our energy's infinity.

MISSION

TATNEFT Group meets the energy needs of people, actively develops and improves the quality of life in the regions of its presence, introduces innovative ideas, improves its energy efficiency and is committed to achieving carbon neutrality.

Changes in the external environment and the desire to continuously increase efficiency and improve the business caused TATNEFT Group to revise its Mission and Vision. In September 2023, the Board of Directors of PJSC TATNEFT approved the new wording. The updated meanings embedded in the Mission and Vision reflect the Company's desire for a sustainable future and effective solutions.

Together we create the energy of life **and new solutions for the sustainable future**

TOGETHER — The mission can be realized only together. Together with like-minded people: employees, clients, partners, and shareholders. Together with those who are ready to work hard with us, create a sustainable future for next generations, be a leader and part of our culture.

WE CREATE THE ENERGY OF LIFE — We want people's lives to be active, filled with energy, conscious, healthy and constantly improving. We create energy, solutions, a wide range of products and social benefits for life, for movement (activity), for creativeness and happiness.

AND NEW SOLUTIONS — The Company possesses and increases its innovative potential, does its best to be a leader in creating the best, progressive, technological and breakthrough solutions and products, continuously improves and develops R&D, encouraging the initiative and bold ideas of its employees.

FOR A SUSTAINABLE FUTURE — The sustainable Company creates the sustainable future. We create conditions in which a person gets a feeling of happiness, understands their value, consumes resources consciously, has room for self-realization and development. The Company creates a future in which there are no threats to descendants and the prospects of the planet.

ENERGY AND SOLUTIONS

- energy in different forms
- set of products, services and social benefits for life and development

RATIONALITY, AWARENESS

- conscious production and consumption without harm to the future

BEST PRODUCTS

- high quality
- best consumer properties

GROWTH OF QUALITY OF LIFE

- habitat improvement
- creation of opportunities for comprehensive personal development

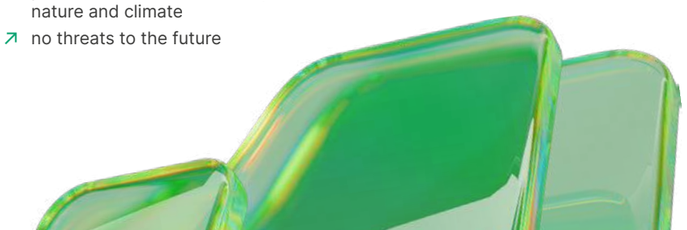
CREATION OF NOVELTY AND INNOVATION

Culture of creativeness:

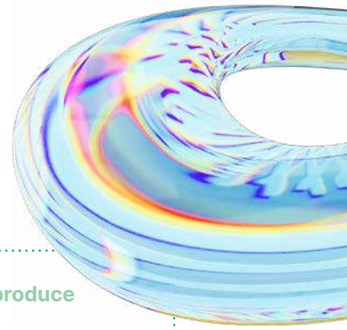
- innovations, progressive ideas, adaptability to streamlined manufacture, new solutions
- hard work and perseverance

CLEAN FUTURE

- preservation of environment, nature and climate
- no threats to the future



VISION



The Vision is a connecting element between the Mission and the Strategy of the Company, which conveys the essence of strategic plans, as well as the values and meanings of the mission. The 2030 Strategy of TATNEFT Group seeks to increase the Company's flexibility in relation to external changes and transformation of business processes.

To be a sustainable, high-yielding company, responsibly and efficiently produce energy and promising products, **by developing the existing and creating new businesses based on innovation and low-carbon solutions,** with care for people, nature and the common future

WHAT DO WE WANT TO BE?
TO BE A SUSTAINABLE HIGH-YIELDING COMPANY
We are building a sustainable company of the future. A constantly developing company, successful in the energy-of-the-future and other markets. "Sustainable" means a thriving, growing business on an endless horizon, giving due regard for the interests of society, the native land and nature. We see the Group's income as a source for sustainable development, creating new benefits for employees, regions of operation and society as a whole.

WHAT WILL WE DO FOR THIS?
RESPONSIBLY AND EFFICIENTLY PRODUCE ENERGY AND ADVANCED PRODUCTS
We believe that energy is a basic element of life, well-being and progress of society.
Traditional energy will be in demand in the world for a long while. However, we are aware of and support the worldwide transformation of the energy market and the movement towards a low-carbon future. Our task is to do our job responsibly and efficiently by offering the best products, services and solution.

HOW WILL WE ACHIEVE THIS?
BY DEVELOPING THE EXISTING AND CREATING NEW BUSINESSES
We not only develop and improve the current business lines, but also launch new points of growth, including non-fuel businesses based on synergies, market potential, and exploring the trends of the future.

ON THE BASIS OF INNOVATION AND LOW-CARBON SOLUTIONS
We pay great attention to the adaptability to streamlined manufacture and innovation, develop low-carbon technology and solutions. We create a culture of innovative thinking, ambition and creativeness.

WITH CARE FOR PEOPLE, NATURE AND THE COMMON FUTURE
People are the backbone of the Company and society. We trust the bold ideas and professionalism of our employees. Nature is the basis of this world. We develop the Company by maintaining a balance of public interests and a responsible attitude to nature.

Focusing on the achievement of the strategic goals, TATNEFT Group transforms approaches to energy production and consumption and its products and solutions:

- produces and converts hydrocarbons into energy and value-added products in the most efficient way with a minimum carbon footprint
- develops non-fuel and low-carbon businesses and solutions that create synergies with the current portfolio and open up new opportunities
- consumes energy, resources and products consciously and rationally
- makes efforts to be the leader in terms of costs along the entire production chain, in innovative ideas and timely efforts to implement these, in the creation of quality products and new solutions for clients and society, in the application of technology to achieve carbon neutrality
- values the professionalism, creativity and efforts of employees and partners, creates conditions for the human capital development

The Company puts these ideas in each unit of energy produced, in each product and solution, in each action, in order to become better itself and to lead others by its example.

CULTURE CODE

People tend to unite to effectively resist external conditions. The most stable and successful associations of people are formed around their values, which are proclaimed by the leader and shared by all participants.

Each company goes through the formation of values, mission and vision, defining its uniqueness. The Republic of Tatarstan, where the Company primarily operates, is represented by numerous peoples who live peacefully respecting each other. The industrial history of the region includes dozens of construction and far-reaching projects of a country scale, where TATNEFT marked every decade of the 20th century with significant events, records and victories. All this has left a mark on the character of our people — we show leadership and are a tight-knit team focused on new victories. The Company has expressed the basis of its identity and uniqueness in the corporate Culture Code.

The Culture Code is something that unites and brings together people of different gender, age, education and experience, directs their joint activities to achieve a common goal, promotes their productive communication and mutual understanding.

The Culture Code of the Company, as the core of the corporate culture, includes:

- basic values, ideas, ideals, ethical meanings shared by all Company employees, regardless of their nationality, culture, age and gender
- corporate values developed in the course of the Company operations, embedded in its Mission and Vision, in the personnel communication system, in the standards and rules of corporate conduct
- national values and spiritual traditions, respect for roots, moral guidelines formed under the influence of cultural heritage

The Mission and Vision are based on the principles of sustainable development of the Company with the minimization of damage caused by its activities to the environment and improving the well-being of people. Focus on sustainable development is indicative of the Company maturity, its conscientious attitude to business.

The symbiosis of mission, vision, corporate values and national traditional values is embedded in the formula of the Culture Code of the Company:

THE COMPANY CULTURE CODE

The Company Mission and Vision + Sustainable Development Goals + National Traditional Values

The Culture Code is the key to understanding, filling of our Mission, Vision and Values with meanings and interpretations, which ensures the interconnection, binds them into a single DNA and enhances the motivation to achieve strategic goals.

Strategic directions for the implementation of the Culture Code

Marketing strategy
- Recognition
- Emotional connection
- Trust
- Loyalty

HR strategy
- Hiring
- Training
- Briefing
- Involvement
- Support
- Motivation

PR strategy
- Slogan
- Promotion
- Advertising
- Identity

Brand management
- Positive perception
- Uniqueness
- Recognition
- Attractiveness

Functions of the Corporate Culture Code

- Group and organizational identification
- Orientation and adaptation
- Behavior coordination
- Integration
- Communication
- Building of brand awareness

The Corporate Culture Code integration

Mission → Vision → Culture Code → Values → Strategy → Business plan → KPIs → Motivation

By identifying and disclosing the Culture Code of TATNEFT Group, we help our employees to feel the significance and value of their work, as well as preserve and pass on the unique history, culture and values of the Company to future generations.

THE COMPANY VALUES

The company values are the basis of the corporate culture, the principles by which it operates: significant, generally accepted and shared beliefs, enshrined in the standards and rules of conduct. The values of the Company, as well as the Mission, Vision, and the Culture Code, reflect the key lines of its development, and are also the foundation for the formation and development of key competencies of employees.

WE ARE LEADERS

- We take responsibility personally and confidently
- We set ambitious goals for ourselves and our team
- We inspire the team and lead it to achieve its goals

WE ARE A TEAM

- We value and support each other
- We achieve common goals through cohesion and understanding of the role of each of us

WE ARE OPEN TO COOPERATION

- We build honest and open equal relationships with external partners and peers aimed at achieving the success of the Company

WE ARE EFFICIENT

- We are committed to achieve maximum results based on the optimal use of resources and compliance with industrial and environmental safety standards

WE ARE TECHNOLOGICALLY ADVANCED

- We are looking for cutting-edge scientific ideas and technology
- We implement innovative solutions
- We improve and use our knowledge and experience

NEW
MISSION AND VISION

80 YEARS
FROM THE COMMENCEMENT OF COMMERCIAL PRODUCTION

75 YEARS
OF THE ROMASHKINSKY OIL FIELD

LEADER
OF THE SOCIAL EFFICIENCY RATING

LEADER
OF CLIMATE PROJECTS

7
PROJECTS

FILLING STATIONS
OF THE COMPANY - THE BEST IN RUSSIA

LEADER
OF ESG RATINGS

LEADER
BY PATENTS

3,321
INTELLECTUAL PROPERTY ITEMS

LEADER
OF CORPORATE CHARITY

WE HAVE BUILT

2
ICE ARENAS

CAMPUS
OF THE HIGHER PETROLEUM SCHOOL

SCHOOL
№ 1

30 YEARS
OF WATER SPRING CARE

22,000,000
PLANTED TREES

1,000,000
FISH RELEASED INTO WATER

BEST
CORPORATE MEDIA

SUSTAINABILITY RATINGS AND RANKINGS

	Level		
	2021	**2022**	**2023**
Expert РЕЙТИНГОВОЕ АГЕНТСТВО	ruAAA stable	ruAAA stable	ruAAA stable

ESG RATINGS AND RANKINGS

		Level	
	Rating	**2022**	**2023**
АК&М РЕЙТИНГОВОЕ АГЕНТСТВО	↗ Sustainability reporting	R_{ESG} 3	R_{ESG} 1
	↗ Charitable foundations	1	1

		Ranking		
	ESG-ranking	**2021**	**2022**	**2023**
HPA		2	2	1

		Ranking		
	ESG-transparency ranking	**2021**	**2022**	**2023**
Expert РЕЙТИНГОВОЕ АГЕНТСТВО	Position	60	16	8

		Group		
	Index	**2021**	**2022**	**2023**
РСПП РОССИЙСКИЙ СОЮЗ ПРОМЫШЛЕННИКОВ И ПРЕДПРИНИМАТЕЛЕЙ	↗ Responsibility and Openness index	A	A	A
	↗ Sustainability Vector Index	C	B	A

		December 2022	**December 2023**
RX	↗ ESG-ranking (position)	39	3
	↗ ESG-rating (group)	BB	AA

		Level		
		2021	**2022**	**2023**
Green Office AWARDS	↗ Office building 1 (75A Lenin St.)	Basic 29%	Silver 50%	Silver 51%
	↗ Office building 2 (75 Lenin St.)	Basic 28,5%	Standard 43%	Standard 45%

COMPETITIONS

MOEX МОСКОВСКАЯ БИРЖА	↗ The 2022 Company Integrated Report was recognized as the best in the nomination “Best Sustainable Development Report” at the 16th annual competition of annual reports, organized by the Moscow Exchange.
RX	↗ In the rating of annual reports, TATNEFT became a laureate in the “Best Integrated Annual Report” nomination of the 15th RAEX Annual Reports Competition (“RAEX-Analytics”)

Pen Energy International Media Competition	↗ Winner in the special category “For the Popularization of ESG Projects and Promotion of Sustainable Development Principles”
Medialeader-2023 corporate media competition	↗ 2nd place in the category “Best Corporate Page on Social Media”: “We are Tatneft” corporate telegram channel ↗ “Outstanding Competition Participant” in the nomination “Best Corporate Digital Edition”
Competition of the Ministry of Transport of the Russian Federation	↗ Winner in the “Best Filing Station” nomination
“Filling Station of Russia 2003” all-Russian competition	↗ “Filling Station of the Year” award winner
“100 Best Products of Russia” Competition	↗ JSC TANECO is the winner in the “Industrial and Technology Products” nomination
The Russian Federation Government Quality Award	↗ JSC TANECO is the winner of the award
“Best Collective Bargaining Agreement in the Oil and Gas Sector” Contest	↗ JSC TANECO is the finalist of the contest
“Best Goods and Services- GEMMA” International Contest	↗ JSC TANEKO is the winner in the “Non-Food Consumer Goods and Products” nomination

KEY INDICATORS

GRI 2-4

SASB EM-EP-000.A; EM-RM-000.A

FINANCIAL INDICATORS

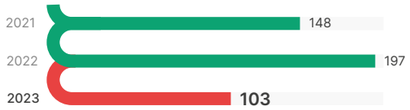
Net profit attributable to shareholders, RUB billion

ROACE, %

EBITDA, RUB billion

Adjusted EBITDA, RUB billion

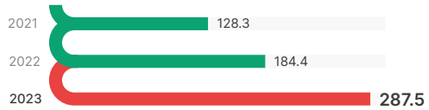
Free cash flow, RUB billion



Revenue from non-banking activities, RUB billion

Taxes and social contributions to the budget, RUB billion

Investment, RUB billion



Added value, RUB billion

OPERATING PERFORMANCE

Oil production, million t

Average daily oil production, thousand barrels per day

Gas production, million m³

Average daily gas production, thousand barrels o.e. per d

Petroleum product output, million t

Oil refining, thousand barrels per day

Gas product output, million t

SUSTAINABLE DEVELOPMENT INDICATORS

Contribution to occupational safety, RUB million

Average headcount, persons

Social investments, RUB million

Contribution to environmental protection, RUB billion

Volume of gross emissions of pollutants, thousand t

Volume of recycled and reused water, million m³

Associated petroleum gas utilization rate*, %

* APG calculation methodology is outlined in detail on page 213

Water consumption*, million m³

* Due to the change in the approach to accounting for water losses, data for 2021 and 2022 were recalculated for correct comparison.

Greenhouse gas emissions*, million t CO_2-eq

Scope 1

Scope 2

Scope 3

* Due to the changes in the TATNEFT Group perimeter, the data have been recalculated up to the baseline year

OUR GLOBAL REACH

DELIVERY OF PRODUCTS TO

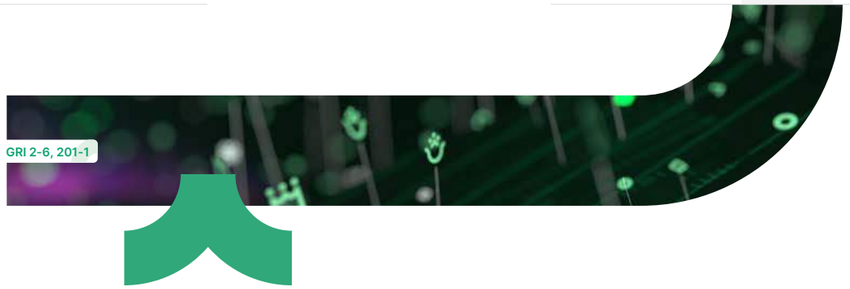
50

COUNTRIES

Republic of Tatarstan:

- Retail sales network
- Petrochemical industry
- Oil and gas refining
- Power generation
- Field development
- Retail sales network
- Mechanical engineering
- Composite materials
- Technology, engineering
- Biotechnological developments
- Tire business

BUSINESS MODEL



OUR RESOURCES (capitals*)

FINANCIAL

RUB 287.5 billion in investments
RUB 223.6 billion CAPEX

SOCIAL AND REPUTATIONAL

10 children's camps
8 health-resorts

Educational cluster
TATNEFT Charitable Foundation

HUMAN

>70 thousand people of qualified personnel

INTELLECTUAL

8 research centers (R&D)

NATURAL

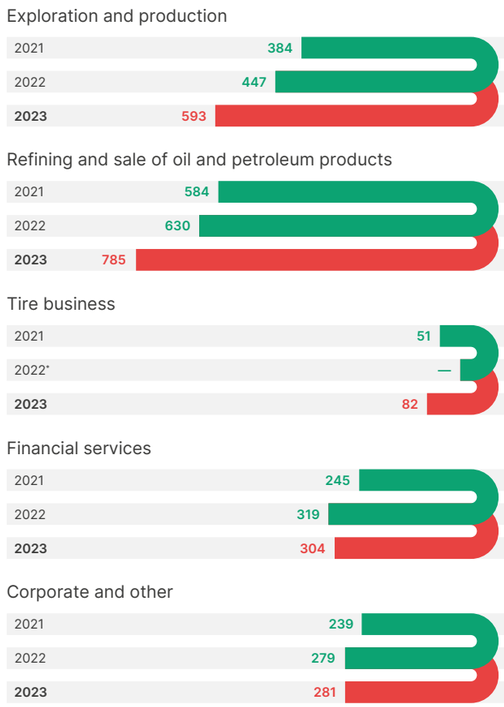
RUB 18,9 billion of investments in environmental protection

OPERATIONAL

122 enterprises of TATNEFT Group
8 business lines

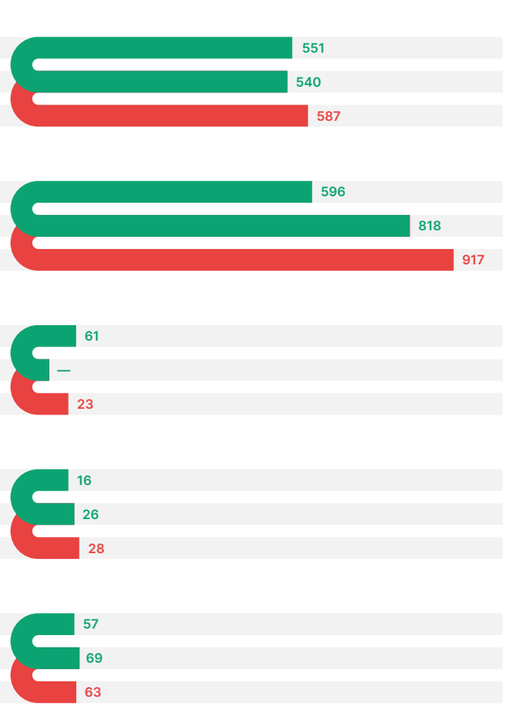
* Unconsolidated indicators in connection with the sale of assets of the tire complex in the specified period

ASSETS RUB billion by segment, RUB billion



TOTAL
2021 **1,503** RUB billion
2022 **1,675** RUB billion
2023 **2,045** RUB billion

REVENUE by segment, RUB billion



TOTAL
2021 **1,281** RUB billion
2022 **1,453** RUB billion
2023 **1,618** RUB billion

OUR RESULTS (capitals*)

FINANCIAL

RUB 414 billion of adjusted EBITDA
RUB 288 billion of profit payable to shareholders
RUB 103 billion of free cash flow
25.9 % ROACE

SOCIAL AND REPUTATIONAL

RUB 31.7 billion in social investments
1,700 students per year **490** researchers
39 thousand employees and their children received sanatorium rehabilitation
42.1 thousand people received charitable assistance

HUMAN

54.5 hours of training per worker
RUB 419 million allocated to staff training

INTELLECTUAL

3,321 active intellectual property items
15.2 specific EMV of the project for investments in R&D

NATURAL

0.36 million t of CO_2-eq
as environmental effect of activities under the program to reduce greenhouse gas emissions

Created and distributed economic value, RUB million

	2021	2022	2023
I. Direct economic value obtained:	1,269,342	1,434,903	**1,599,449**
↗ revenue	1,265,380	1,427,147	**1,589,082**
↗ income from financial investments	3,962	7,756	**10,367**
II. Distributed economic value:	-1,182,085	-1,259,900	**-1,576,929**
↗ operating expenses	-409,224	-447,271	**-676,448**
↗ workers' wages and benefits	-55,680	-64,090	**-85,652**
↗ payments to capital providers	-93,673	-131,106	**-224,622**
↗ payments to the government (taxes and levies)	-610,378	-607,937	**-578,184**
↗ investments in society (social investments)	-13,130	-9,496	**-12,023**
III. Retained economic value	133,914	175,003	**22,520**

The business model is based on the principles of sustainable development to create added value and ensure high business resilience in a changing macro environment.

PJSC TATNEFT is the corporate center of the Group, coordinating the activities of enterprises that form the Company's business segments. The TATNEFT Group management is based on a single mission and targeted development priorities while respecting the fair interests of all members.

The Company business model development builds on:

- the integration of the Sustainable Development Goals into business processes
- the implementation of decarbonization tasks
- the introduction of the circular economy principles
- the attention to the needs of stakeholders
- the creation of a favorable natural and social environment

STRATEGIC REPORT

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STRATEGIC REPORT

ENERGY OF CREATION

GRI 2-22

ADDRESS BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF PJSC TATNEFT NAMED AFTER V.D. SHASHIN

In the context of ongoing global changes in the Russian oil industry, we summarize the results of 2023 with optimism. The experience and professionalism of the TATNEFT team ensures that we can address the most complex challenges. The Company continues to demonstrate stable growth dynamics and pursues its strategy aimed at increasing shareholder value. We make maximum efforts to contribute to the socioeconomic progress of the Republic and the country as a whole.

Our sustainability is based on the corporate values and the principles of responsible business. The Company accepts the commitments in the field of human rights, labor, environment, and countering corruption, which are reflected in the Ten Principles of the UN Global Compact, and is committed to ensure that shareholders, partners, suppliers, and contractors also adhere to these Principles, creating a culture of integrity and responsibility.

The TATNEFT Group is constantly improving processes along the entire value chain—increasing productivity, rationally utilizing resources, developing a culture of energy efficiency and energy saving.

The environmental friendliness of the Company's production and social decisions serves as an additional tool to ensure a stable future. The Company is developing a circular economy model, producing products with the minimum carbon footprint and recycling secondary raw materials.

The Company is actively implementing ambitious sustainable development goals integrated into its corporate strategy. The social partnership and investment ecosystem created by the Company provides a solid foundation for the economic and social benefit of future generations.

Dear partners, investors, and colleagues, I would like to express my sincere gratitude for your trust and support. The Board of Directors, from its end, will continue to strengthen the sustainability of the Company's business and ensure its long-term development. We value each of you and are happy to be part of such a professional community. Your trust and support are key to TATNEFT's success. Together we will be able to reach new heights and further strengthen our market positions.

ADDRESS BY DIRECTOR GENERAL OF PJSC TATNEFT NAMED AFTER V.D. SHASHIN

The fuel and energy sector of the economy continues to develop in an unprecedented geopolitical environment. Despite all the difficulties, our joint efforts helped us navigate through the most acute challenges. Among the main priorities were the development of production, the search for new business areas and points of growth. The indicators achieved prove the soundness of TATNEFT's business model.

Following its commitments under the UN Global Compact, the Company updated its Strategy in 2022 in favor of long-term sustainability and adopted a new Mission and Vision in 2023.

We make every effort to ensure that our operations are as efficient and environmentally responsible as possible, contributing to sustainable development and building a better world for future generations. Our Mission "Creating Vital Energy and New Solutions for a Sustainable Future" reflects our aspirations.

We do our best to approach the implementation of the Strategy comprehensively, with due consideration of the potential environmental consequences of our actions and the impact on the sustainable development of our operation regions as well as with regard to fundamental human rights and the protection of local communities' interests. Responsible business conduct is an integral part of TATNEFT'S DNA.

I would like to express my gratitude to all partners, customers, shareholders, investors, and employees of the TATNEFT Group companies. I am confident that only through joint efforts will we be able to address the challenges of the modern world and create a better future for all.

SUSTAINABLE DEVELOPMENT STRATEGY

GRI 2–12, 2–22, 2–23 TCFD 2.1, 2.2, 2.3 SASB EM-EP-420a.1, 420a.4

Our Principles

The Company's strategy includes sustainable growth and the provision of favorable economic and social conditions for business development based on the most efficient use of all types of resources and creating value for stakeholders at each stage of activities. The Company recognizes the global challenges, issues, and trends related to sustainable development aspects, adheres to the provisions of the UN Global Compact, the UN Principles for Responsible Investment (PRI), the UN Sustainable Development Goals, the United Nations Environment Program (UNEP), the G20/OECD Fundamental Principles of Corporate Governance and the Social Charter of Russian Business, the RUIE Approaches to the Formation of National Indexes of Corporate Sustainability, Responsibility, and Openness for Sustainable Development.

Our sustainability is based on the corporate values and the principles of responsible business. The Company accepts the commitments in the field of human rights, labor, environment, and countering corruption, which are reflected in the Ten Principles of the UN Global Compact, and is committed to ensure that shareholders, partners, suppliers, and contractors also adhere to these Principles, creating a culture of integrity and responsibility. The Company's mission, values, as well as goals and strategic principles, are in line with the seventeen UN Sustainable Development Goals (SDGs). Considering its business lines, the Company's priority focus is on the areas and objectives of UN SDGs that it can implement as efficiently as possible by managing its capabilities and resources. We cooperate closely with stakeholders in making efficient efforts to achieve the UN SDGs and adhere to the principle of precaution while employing measures in advance to prevent and mitigate potential adverse consequences in all business areas.

Management Approach

The Company is improving approaches to managing sustainable development aspects (ESG aspects) based on the full integration of respective goals with the Company's strategy. When making any business decisions, we take into consideration the objectives of preserving the environment, reducing the carbon footprint, improving social infrastructure, expanding innovative opportunities, economic growth, and improving living standards in the areas where TATNEFT Group operates. Targeted programs are based on an open dialogue with the local community and stakeholders, which improves the targeting of the Company's initiatives and decision-making transparency.

In the strategic context, the Company's Board of Directors considers sustainable development issues, including analysis of key trends in the oil and gas industry and the development of business areas, innovation policy, programs focused on social aspects, climate/environmental issues, HR management, and other areas that consolidate the sustainability of TATNEFT Group's development. Direct involvement of top management in ensuring internal factors of sustainable development helps create an efficient system for managing the ESG aspects. Assessment of the sustainable development results is integrated into the incentive framework which is based on evaluating the KPI effectiveness. The KPI system includes SDG metrics for all goal leaders and business line managers. The indicators of the ESG goal map are integrated into the tools for monitoring strategy implementation, business planning, and management of processes and projects.

Statement of continued support for the UN Global Compact

Management System

Strategic level	
Board of Directors	↗ Determines the sustainable development policy, sets strategic goals and directions ↗ Sets strategic guidelines for sustainable development goals ↗ Monitors policy implementation and assesses business risks and risks related to sustainability issues
Sustainable Development and Corporate Governance Committee of the Board of Directors	↗ Plans, defines goals, and coordinates measures ↗ Oversees the implementation of measures and the occurrence of risks and notifies the board of directors accordingly ↗ Assesses the efficiency of the sustainable development policy, including human rights aspects
Operational level	
Director General and the Management Board	
Governing Council for Sustainable Development	↗ Coordinates business-specific actions on matters of sustainable development ↗ Analyzes and evaluates progress, prepares information for the sd&cg committee concerning the results achieved, risks, and problems ↗ Analyzes the quality of the information disclosed and monitors compliance with the reporting standards ↗ Identifies areas of responsibility within the tatneft group in the field of sustainable development
System of incentives for achieving the SDGs	↗ Integrates sustainable development goals into key performance indicators ↗ Introduces a monitoring and incentive system for achieving the goals according to the management levels
SDG leaders and management staff	↗ Build employees' involvement in SDG achievement ↗ Develop and implement measures for the approved goals ↗ Prepare regular milestone reporting
Independent assessment	
Major stakeholders	↗ Assess the Company's socioeconomic effect and efforts to achieve sustainable development goals ↗ Communicate the request for adjustment of the management approach in achieving sustainable development goals

Update of Strategy 2030

TATNEFT is an active participant in the global process of achieving a sustainable future. We have carried out extensive and effective work to reduce the impact on climate aspects, improve efficiency in the economic, social, and environmental areas from our activities.

In 2022, the Company's Board of Directors updated Strategy 2030 integrating ESG aspects into the business model. The Company's long-term goal is based on the vector of achieving carbon neutrality in terms of controlled greenhouse gas emissions by 2050. We are implementing measures to reduce and offset our environmental impact, developing low-carbon technologies, and pursuing diversification of our business.

As key levers for decarbonization, we are improving the energy efficiency of our operations, increasing the use of associated petroleum gas, reducing methane emissions, using biological methods of carbon footprint reduction, and have launched projects to capture, dispose of, and beneficial use of carbon dioxide.

Given the dynamic geopolitical situation in 2023, the Board of Directors was focused on the impact that key trends exerted on the energy industry and the Company's business model. In the reporting year, the Board of Directors identified risks of changes in the dominant trends:

- **Global trends:** aging and growing global population, urbanization, climate change and "green thinking" in society, emergence of trans-carbon regulation, technological advancement, and expanding geopolitical conflicts
- **Trends specific to energy companies:** slowing oil demand growth, energy transition and competition between fuels, development of the OPEC+ agreement and its constraints, increasing cost competition in the oil industry
- **Trends specific to Russian energy companies:** growing tax burden on the oil industry, introduction of sanction-related restrictions and consequences thereof, staff shortages, increased risks at production facilities

Risk-Based Approach

The external environment has changed, which requires that we should be more proactive in assessing the Company's strategic risks, primarily those relevant for the next three years. The Company assesses and ranks risks by business area quarterly and works to mitigate potential negative consequences.

In setting ambitious long-term goals, the Company considers some of the most pressing external challenges to be:

- High volatility of oil prices and restrictions in export markets;
- Escalating competition of producers in the markets, resulting from technology development (including in shale oil and gas production);
- Intensification of noncompetitive economic warfare methods due to the sanctions policy of unfriendly countries;
- Slowing the growth and changing the structure of global energy demand, including the gradual replacement of hydrocarbons with other types of energy;
- Discrimination of Russian fuel and energy companies in foreign markets due to regulatory changes, including under the pretext of climate and environmental policy;
- Challenges related to the need to develop technological and raw material sovereignty;
- Risks associated with human rights violations throughout the supply chain and in the regions of operation.

The Strategy provides an exhaustive list of steps to reduce the impact of external threats and challenges.

The Company's ultimate goal is to ensure the growth of the Group's value by managing the sustainable development agenda risks and introducing efficient transformation approaches to achieve leadership in this respect.

Scenario Analysis

Sustainability planning means assessing risks and opportunities and integrating them into the value chain—from project design and investment program to the full life cycle of a project, products, and services. The Company applies a scenario approach to strategic planning. The strategic options are being tested for sustainability against the below energy demand scenarios, including the climate scenario for the development of the global economy and energy, which involves achieving the goals of the Paris Agreement.

The Baseline Scenario of Strategy 2030 is built upon the socioeconomic development of the Russian Federation as forecasted by the Ministry of Economic Development. The scenario assumes a gradual transformation of the energy system: the structure of global primary energy consumption changes; there is an increase in demand for renewables, biomass, nuclear, and hydroelectric power generation, while oil and natural gas will remain the main sources of primary energy consumption through 2050.

The Climate Scenario is based on the "Net Zero Greenhouse Gas Emissions by 2050" scenario of the International Energy Agency and assumes an accelerated energy transition (against the backdrop of tightening climate policies), a reduction in demand for liquid hydrocarbons to 83.7 million barrels per day by 2030 and to 35.7 million barrels per day by 2050, as well as a change in the structure of global primary energy consumption in favor of renewable energy (including hydropower)—to keep the global average temperature increase by 2100 to 1.5 °C above preindustrial levels.

The High Oil Price Scenario is based on the International Energy Agency's "Declared Climate Policies" scenario. It is characterized by a slower energy transition and no tightening of climate regulations or new environmental initiatives, which leads to a global average temperature increase of 2.5 °C above preindustrial levels in the current century.

The results of stress testing of the Group's financial indicators in the climate scenario indicate an acceptable level of impact of climate risks on the Company's value compared to the baseline scenario. The Company will continue to work on improving its asset portfolio's resilience to the climate scenario.

Sustainability Concept

The focus of the updated Strategy is on climate aspects, preservation of a favorable environment, and social development factors in the Company's operation regions. In monitoring the updated strategy, the Board of Directors and its committees pay particular attention to progress towards the Sustainable Development Goals.

Despite changes in the external environment, the Company maintains its strong position due to its resource potential, technological competencies, and business diversification. TATNEFT pays special attention to increasing its project portfolio's resilience to climate change risks. According to the recommendation of the Task Force on Climate-Related Financial Disclosures (TCFD), the risks and opportunities related to climate change and their impact on the Company are analyzed annually within the overall corporate strategy monitoring. Currently, the cost of greenhouse gas emissions is calculated and considered for all medium and large investment projects.

The Company recognizes that integrating sustainable development principles into its Strategy is among the key factors in ensuring long-term sustainability. This will allow the business to adapt to changes and create new opportunities for its development—mainly by improving operational efficiency and reducing energy consumption, diversifying and increasing the portfolio share of the nonfuel segment, developing renewable energy, and increasing the share of low-carbon and secondary raw materials, thus ensuring competitiveness globally.

MISSION AND VISION

2030 STRATEGY

LONG-TERM SUSTAINABILITY

Climate impact reduction and carbon neutrality by 2050 Scope 1 and 2	14% by 2025 30% by 2030
Technological sovereignty Production process independence from import supply disruptions	100%
Development of internal integration and synergy Ensuring vertical integration of core businesses	50%
Diversification Share of nonfuel businesses in operating profit by 2030	20%

SOCIOECONOMIC DEVELOPMENT

Investments in production	>RUB 160 billion per year
Investments in ecology and the environment	>RUB 10 billion per year
Social investments	~RUB 20 billion per year
Creation of new jobs	>5 thousand by 2025
Employee satisfaction	75% by 2025
Tax payments to budgets of all levels	>700 billion per year
Purchases from local suppliers	>40%

TOTAL SHAREHOLDER RETURN

Capitalization growth	USD 36 billion by 2030

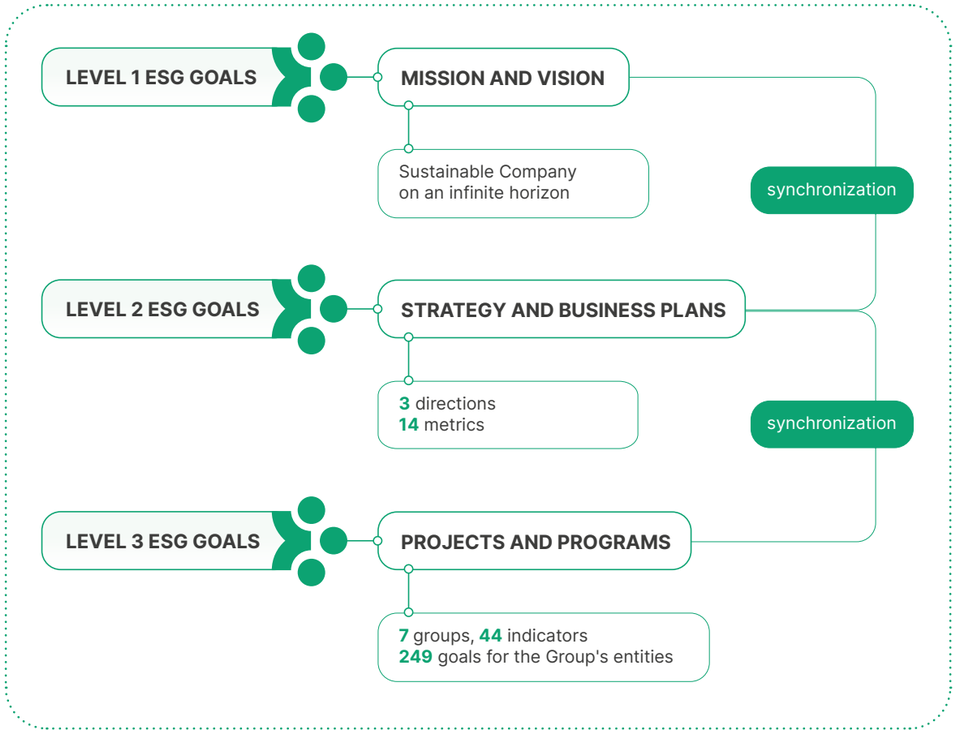
ALIGNMENT WITH OBJECTIVES OF INDUSTRY STRATEGIES IN THE RUSSIAN FEDERATION

Contribution to the achieviing the industry strategy

INTEGRATION OF THE SUSTAINABLE DEVELOPMENT GOALS

We are gradually implementing our sustainable development goals in special events and programs. Therewith, the movement towards global goals has led the Company to legitimate questions about self-identification and realizing the course of development. In 2022–2023, we accomplished significant work to embed principles of sustainability growth into the 2030 Strategy and revise the Mission and Vision; we defined a global goal of becoming a sustainable Company on an infinite horizon.

The 2024 goals focus on synchronizing the Mission and Vision with ongoing projects to achieve sustainability goals through high-level integrated indicators that allow for tracking overall progress towards ESG goals.



To achieve the results for each sustainable development goal, thematic projects have been opened and Leaders—managers with high competencies—have been assigned. The project teams identified benchmarks and formulated tasks. Key metrics are assigned to those responsible and are built into the key performance indicators (KPIs) system.

Integration of the Sustainable Development Goals

2019
Statement concerning ESG factors and SDGs

- Statement of Accession to the UN Global Compact and SDGs
- Determining the vector of corporate actions on the SDGs
- Provision of information on aspirations and challenges

2020
SDGs Prioritization

- SDGs prioritization (three priority goals, seven goals exerting significant impact)
- Approval of priority SDGs by the Board of Directors, identification of SDG Leaders
- Project programs have been developed to achieve priority SDGs

2021
Defining KPIs and target indicators on ESG factors

- Integration of five SDGs into the KPI system
- Setting target indicators for the rest of the SDGs by 2025
- Programs to achieve other SDGs have been developed

2022
Integration of ESGs and SDGs KPIs into the business model

- Updating the strategy with due consideration of the sustainable development factors
- Implementation of key metrics in operational activities and incentive system
- Regular monitoring of the implementation of programs to achieve the SDGs
- Setting target indicators for achieving SDGs by 2050

2023
Control over the performance of ESG and SDGs KPIs

- Development of ESG goal maps and integration into the monitoring and management systems
- Cascading ESG targets to the tactical and operational level
- Control of the execution of ESG goals in the monitoring and control system

2024
Corrective actions in line with the new Mission and Vision

- Synchronization and alignment of Level 1, 2, and 3 ESG goals, digitization thereof in value terms
- Implementation of templates to assess the impact of ESG indicators on the Company's value and a work plan to achieve the target image of ESG transformation
- Adjustment of key performance indicators according to the ESG factors and SDGs

UN SUSTAINABLE DEVELOPMENT GOALS NAVIGATOR

The landmark guidance for the Company is the UN Action Program “Transforming Our World: 2030 Agenda for Sustainable Development”. TATNEFT integrates 10 Principles and 17 Goals of Sustainable Development into its business model as a party to the UN Global Compact.

Sustainable development is one of the Company’s strategic priorities and includes comprehensive coverage of factors and corporate actions that aim to achieve the goals of ensuring a high level of industrial and environmental safety, reducing the impact on the environment, occupational safety, and preserving the climate, providing social guarantees to personnel, developing a healthy social infrastructure in the territories of the Company’s operations, the growth of local economies, and high quality of life of the population as well as the development of information technology and cyber security.

Ensuring universal health coverage in the regions of presence through prevention, treatment and maintenance of the health and well-being of the local population, implementation of rehabilitation programs.

Significant reduction in the number of deaths and diseases as a result of exposure to hazardous production factors

Objectives: 3.8, 3c

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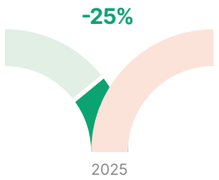
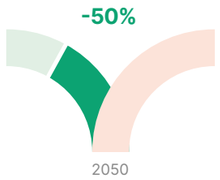
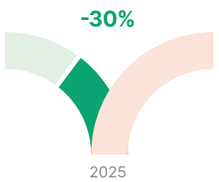
Strategic goals





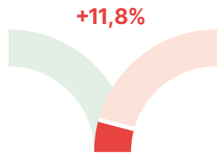
Reduction in the number of temporary disability days



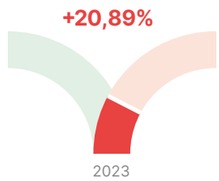
Reduction in the frequency and severity of occupational injuries

Results for 2023

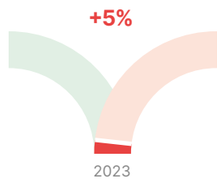
Decrease of the specific indicator of temporary disability



Increase in the injury frequency coefficient



Increase in injury severity



increase in the LTIFR

Plans for 2024

- improvement of the comprehensive wellness development program
- expansion of the VHI program and increase in coverage of VHI medical services
- development of the Healthy Eating direction
- staff motivation for healthy lifestyle

Increase in the number of people with in-demand professional knowledge for employment and acquiring a decent skilled trade

Objectives: 4.1, 4.2, 4.4, 4a

page 254-263

Strategic goals

- Creation of an effective end-to-end (continuous) education system from preschool to vocational education, providing multi-level training for the oil industry
- Formation of a world outlook and involvement in the achievement of sustainable development goals

Results for 2023

- A network of school biolaboratories for plant microcloning.

21 preschool institutions

development of the quality of education in preschool institutions

2 160

teachers who have advanced in their qualifications

2 600 children

Scope of education quality development in preschool institutions

40 %

of managers covered by the corporate training program for line management

490

researchers — construction of the Petroleum High School campus

1 700 students

Designed capacity of the Higher Petroleum School campus

>116,000 children

coverage of SDG educational activities in schools

5,000

participants covered by the Corporate Volunteering program in the regions where TATNEFT Group operates

12 %

of employees covered by the corporate training program

Plans for 2024

- development of educational school and career guidance projects
- a 30% increase in the coverage of the corporate line management training program
- broadcasting of knowledge in the field of SDGs for schoolchildren with coverage of 200 thousand children.
- a 40% increase in the Corporate Volunteering program coverage in the regions where TATNEFT Group operates
- a 30% increase in the coverage of TATNEFT Group employees with the corporate line management training program

6 CLEAN WATER AND SANITATION

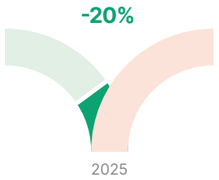
Reduced impact on aquatic ecosystems. Reduced share of untreated wastewater, increasing recycling and reuse of wastewater. Ensuring protection and restoration of water-related ecosystems

Objectives: 6.1, 6.3, 6.4, 6.5, 6.6

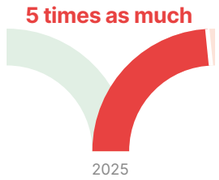
page 218-219

Strategic goals

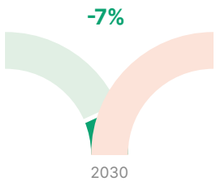
↗ To reduce fresh water losses during its preparation and transportation



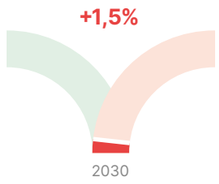
Reduction in wastewater discharges



Increase in the ratio of treated and untreated wastewater



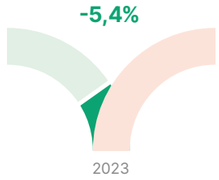
Reduction in the specific use of fresh water for production needs



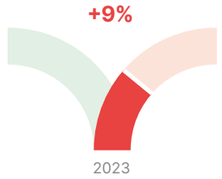
Increase in the volume of reused and recycled water in relation to used water

Results for 2023*

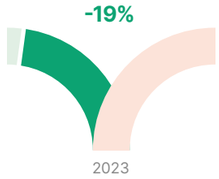
↗ 20% wastewater disposal reduction goal and increase in the ratio of the purified one's has been achieved



reduction in water consumption



Increase in the volume of recycled and sequentially re-used water



reduction in fresh water losses during its preparation and transportation

* The results of the implementation of the goals are calculated from the base year 2020.

Plans for 2024

↗ to achieve a 0.5% increase in the volume of recycled and sequentially re-used water

↗ to reduce fresh water losses during its preparation and transportation by 4%

7 AFFORDABLE AND CLEAN ENERGY

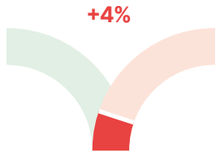
Providing access to affordable, reliable and modern energy supplies. Increasing the share of clean technologies using fossil fuels, renewable energy and improving energy efficiency to reduce environmental impact.

Objectives: 7.1, 7.2, 7.3, 7a, 7и

page 233, 235

Strategic goals

Improving the level of energy efficiency of production

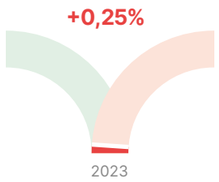


Increasing the share of energy generated from renewable sources

Results for 2023

Fuel and energy resources consumption optimized

Efficiency of the energy saving program



Increase in the share of RES

Plans for 2024

- implementation of the targeted Energy Efficiency and Energy Saving Program for 2023–2026.
- replication of proven projects

11 SUSTAINABLE CITIES AND COMMUNITIES

Ensuring access to sufficient, safe and affordable accommodation. Development of economic, social and environmental links between urban, suburban and rural areas. Reducing the adverse environmental impact of cities on the local population

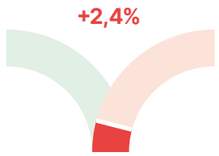
Objectives: 11.1, 11.2, 11.3, 11.4, 11.5, 11.6, 11.7, 11.8

page 248

Strategic goals

- Sustainable development of the operating regions by increasing the urban environment quality index
- Employee accommodation

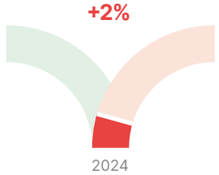
Results for 2023



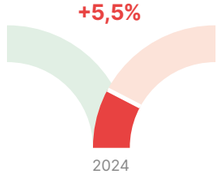
increase in the urban environment quality index

the share of employees who received accommodation from among the corporate social mortgage program participants

Plans for 2024



Increase in the urban environment quality index



Share of employees provided with accommodation under the social mortgage program from the total number of the program participants

of sustainable industrialization through innovation and quality, reliable, resilient and stable infrastructure to support economic development and human well-being, with particular attention to ensuring equal access for all stakeholders

Objectives: 9.4, 9.5

page 58-59

Strategic goals

+15%

2025

Increase in the return on investment in innovation

2 times as much

2025

Increase in raising state support for projects

- ↗ expansion of the portfolio of innovative projects to achieve the strategic goal of reducing the carbon footprint by 20%
- ↗ ensuring a high scientific level of innovation activity

Results for 2023

-48%

2023

Efficiency of the portfolio of projects aimed at increasing the index of rational subsoil use

+103%

2023

Efficiency of other sustainable development projects

+217%

2023

increase in state support for the implementation of infrastructure and innovative projects

-18%

2023

decrease in the number of applications for new titles of protection for intellectual property items

+24%

2023

increase in the share of used protected intellectual property items in the total number of titles of protection

852 thousand tonnes

The volume of reduction and utilization of CO_2 (Scope 1) due to innovation

Plans for 2024

- ↗ ensuring the preservation of a high level of return on investment of at least RUB 34, an increase in the value of the portfolio of implementation projects per each ruble of investment in innovations
- ↗ participation in state co-funding programs for the projects to ensure technological sovereignty
- ↗ cooperation with external innovation organizations to accelerate development and implementation of new technologies in production processes
- ↗ development of new products in the field of biotech and composite materials
- ↗ implementation of the technology for enhanced oil recovery using CO_2
- ↗ implementation of the carbon dioxide capture technology from process gases

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Rational and efficient use of natural resources, capture and processing of harmful substances and all waste products throughout the entire production cycle, reduction of waste volume, processing and reuse thereof

Objectives: 12.2, 12.4, 12.5, 12.6, 12.8

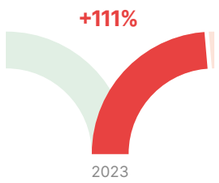
page 236-237

Strategic goals

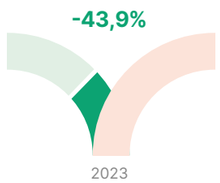
Increase in the share of recycled and reused waste

Reduction in process losses

Results for 2023



Increase in the share of waste sent for recycling and reuse



Reduction in process losses

Plans for 2024

- a 72.6% increase in the share of recycled and reused waste
- a 35.7% reduction in process losses

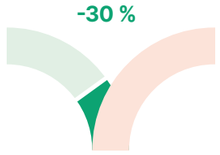
13 CLIMATE ACTION

Adoption of targeted and comprehensive measures to reduce the impact on climate change and ensure transparency of implementation thereof

Objectives: 13.1, 13.2, 13.3, 13a, 13b

page 208-209

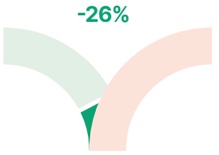
Strategic goals



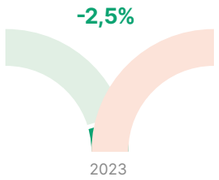
Reduction in Scopes 1+2 specific greenhouse gas emissions

Results for 2023

Reduction in specific direct emissions in the Exploration and Production business line



Reduction in specific direct and indirect emissions (Scope 1+2) in the Petrochemistry business line



Reduction in specific direct and indirect emissions (Scope 1+2) in the Oil and Gas Treatment business line

Plans for 2024

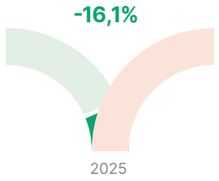
- to reduce specific direct emissions by 4%
- the objective is achieved
- reduce specific direct and indirect emissions by 3%

Ensuring the conservation, restoration and sustainable use of ecosystems reducing the impact on forest degradation and a significant increase in afforestation

Objectives: 15.1, 15.2, 15.3, 15.4, 15.5, 15.8, 15a, 15b

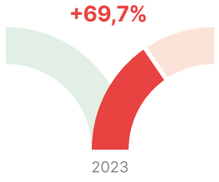
page 227

Strategic goals

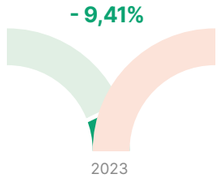


Reduction in occupied space

Results for 2023



Of unclaimed land plots returned



Reduction in deforestation area

Plans for 2024

- return of 277.9 ha of unclaimed land plots
- reduction in the volume of trees cut down by 426.6 hectares

Strengthening the Global Partnership for Sustainable Development, complemented by stakeholder partnerships that mobilize and share knowledge, experience, technology and financial resources to support the achievement of the Sustainable Development Goals

Objective: 17.17

Strategic goals

- Building Effective Partnerships With Government And Civil Society Organizations

Results for 2023

- Confirming the active status of a participant in the UN Global Compact
- Agreements on development projects in the regions of presence
- Development of a corporate methodology for assessing the efficiency of participation in partnerships

Plans for 2024

- assessing the efficiency of existing and new partnerships
- implementation of agreements on development projects based on the partnership and mutual integration of the parties' resources (competencies, technologies, raw materials base)

INVESTMENT POLICY

The progressive and sustainable growth of the Company's value is ensured by investing in efficient and competitive projects. The Company's investment policy is aimed at achieving strategic goals. The key investment priority is to increase investment and operational efficiency, providing technological solutions aimed at minimizing the adverse impact on the environment and assessing the social impacts of the investment projects. The Company maintains a balance of investments in strategic projects in key business segments, which corresponds to the achievement of strategic and operational business goals.

INVESTMENT PROGRAM IMPLEMENTATION

The Company's investment activities in 2023 were carried out taking into account the search for alternative manufacturers in conditions of an unstable geopolitical situation and established restrictions on oil production and elaboration of technical and commercial proposals with potential equipment suppliers in the area of import substitution.

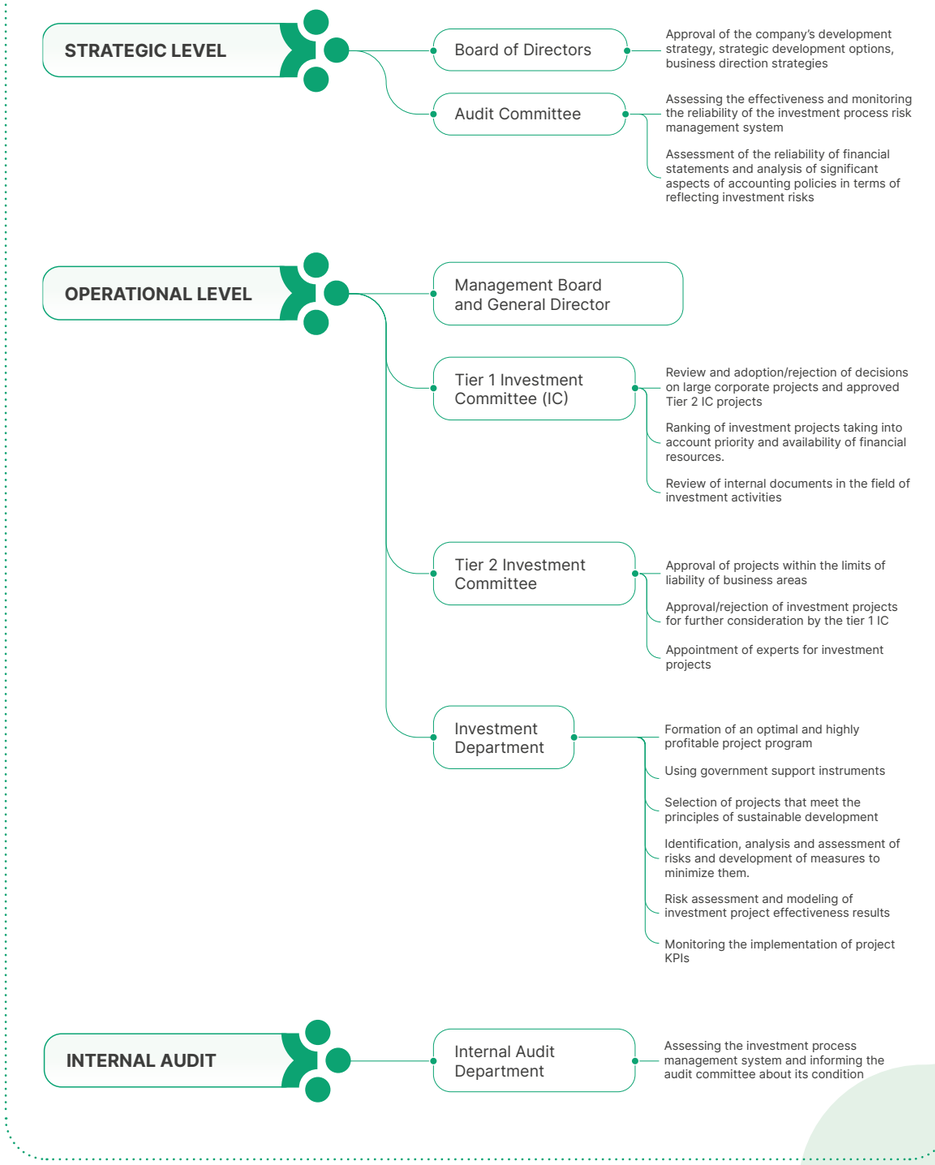
As part of the implementation of the Strategy 2030 to increase the Company Value, business plans for 2024 were drawn up with an 18% increase in the investment component. Development of exploration and production, oil and gas refining and petrochemicals remain priority areas of investment. Projects are ranked on an ongoing basis with a focus on operational efficiency, the availability of own funds and the ability to raise capital through government subsidies and debt financing.

Investment, RUB billion

CAPEX, RUB billion

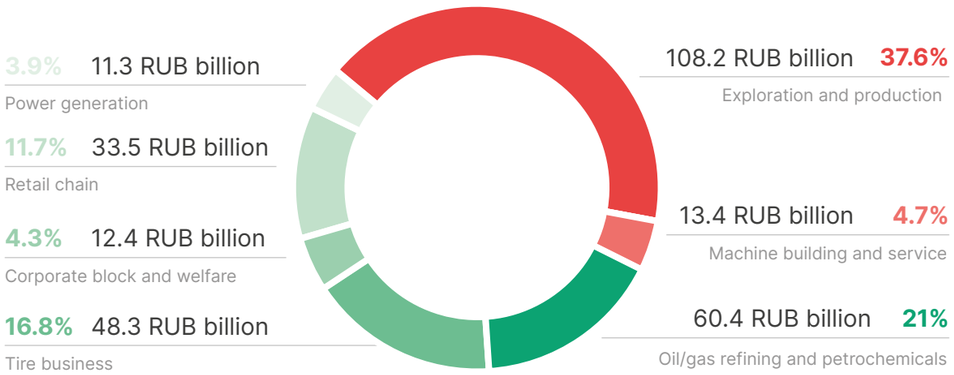
Starting from 2020, changes in greenhouse gas emissions are calculated for investment projects taking into account Scope 1, Scope 2 and Scope 3 assessments. Information on changes in carbon footprint is included in the standard investment project passport

Management System


STRATEGIC LEVEL
Board of Directors
Approval of the company's development strategy, strategic development options, business direction strategies
Audit Committee
Assessing the effectiveness and monitoring the reliability of the investment process risk management system
Assessment of the reliability of financial statements and analysis of significant aspects of accounting policies in terms of reflecting investment risks
OPERATIONAL LEVEL
Management Board and General Director
Tier 1 Investment Committee (IC)
Review and adoption/rejection of decisions on large corporate projects and approved Tier 2 IC projects
Ranking of investment projects taking into account priority and availability of financial resources.
Review of internal documents in the field of investment activities
Tier 2 Investment Committee
Approval of projects within the limits of liability of business areas
Approval/rejection of investment projects for further consideration by the tier 1 IC
Appointment of experts for investment projects
Investment Department
Formation of an optimal and highly profitable project program
Using government support instruments
Selection of projects that meet the principles of sustainable development
Identification, analysis and assessment of risks and development of measures to minimize them.
Risk assessment and modeling of investment project effectiveness results
Monitoring the implementation of project KPIs
INTERNAL AUDIT
Internal Audit Department
Assessing the investment process management system and informing the audit committee about its condition

The 57% growth of investments compared to 2022 is due to the increased investments in the oil production efficiency, the petrochemical sector, the acquisition of a tire business, new assets for the retail and wholesale of fuel, storage and logistics.

Investment Portfolio Structure



ACCOUNTING FOR CHANGES

Due to changes in the macroeconomic situation, the effectiveness of investment projects may not reach target values, which entails a decrease in the value of assets and must be reflected in the financial statements. To reconcile the carrying amounts of assets to their recoverable amount, the Consolidated Financial Statements and Management's Discussion of Financial Conditions and Results of Operations (MD&A) include amounts and explanations for exceptional items, including impairment of super viscous oil producing assets, exploration assets, social assets, for which it is not expected to gain future economic benefits, and other assets.

Exceptional items (reserves), RUB billion

FUND RAISING

The Company's activities are based on the efficient use of financial resources to support production and investment activities. The Company takes a conservative approach to loan structuring with the focus on minimizing risks and benefiting from favorable financial leverage.

Principle

The main criteria for selecting long-term credit instruments are as follows: the expected credit amount, lending term, and target orientation. In the case of raising long-term loans directed to the investment program financing, attention is paid to the compliance of the loan commercial terms with the basic investment parameters of a particular project. A high priority is given to the possibility of structuring loans with the repayments to be made out of additional cash flows generated from the implementation of new investment projects.

Tools

Due to the good credit history, high credit ratings, and low debt level, the Group has access to various debt financing instruments, such as short-term revolving credit facilities, bilateral loans, syndicated loans, subsidized loans, and exchange-traded bonds. The Company maintains a close watch on the key drivers of the debt capital market and, when appropriate, implements strategies to mitigate market risks, including those related to interest rate fluctuations.

The debt portfolio of the TATNEFT Group at the end of 2023 is RUB 10.07 billion (excluding the financial segment).

Centralization

In order to increase the effectiveness of the Group's financial management, improve the efficiency, quality, controllability and stability of service business functions, a project is being implemented to develop the centralized treasury of the TATNEFT Group covering 68 controlled entities (56%).

For the purpose of efficient intra-group use of funds, a mechanism for optimizing settlements has been implemented through the Corporate Center for Settlement of Mutual Claims. In 2023, the volume of payments through a single center amounted to RUB 450.5 billion (+32%).

Using the most effective tools for placing free cash, the Company gained income of more than RUB 8.6 billion.

Control

To increase the efficiency of using working capital, the organizations of the TATNEFT Group carry out the following in a centralized manner:

- setting target values for receivables and payables
- optimization of receivables and payables
- control over the implementation of financial discipline

Monthly monitoring of performance for indicators of turnover of receivables and payables by business area, factor analysis of changes in these components of working capital, development of compensatory measures are carried out.

The Company has fulfilled all its obligations to pay for works, services and products provided, taxes and payments to non-budgetary funds in a timely and complete manner.

INNOVATIVE ACTIVITIES

ENERGY OF DEVELOPMENT
TOGETHER WE CREATE NEW SOLUTIONS

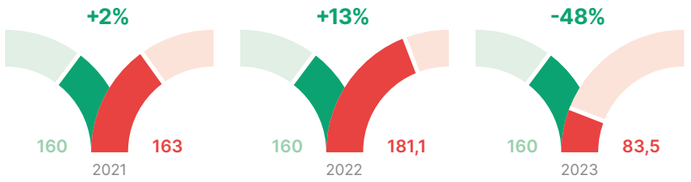
GRI 3-3, 416-1

The Company's innovative development strategy reflects the objectives of implementing an innovation management model, forming a target order for innovation, as well as implementing the potential of growth points and preventing threats in the long term. The task of TATNEFT's innovation strategy is to update the technology portfolio to achieve sustainable development in all areas of the Company's activities and to open access to new growth points in the current and related industries.

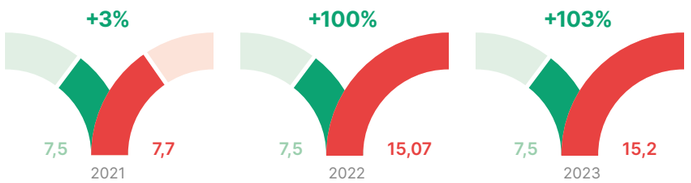
The Company has 80 years of experience in scientific development. A systematic approach to technology development allows the TATNEFT Group to enhance its potential for innovative growth across all business and functional areas.

SDG 9 GOALS

A 15% increase in the return on investment in innovation by 2025



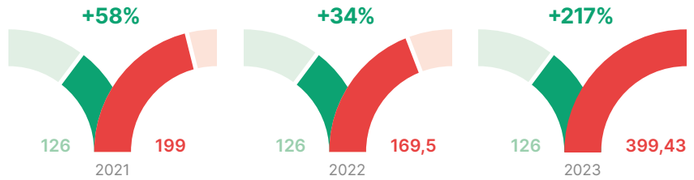
Effectiveness of a portfolio of projects aimed at increasing the index of rational subsoil use, RUB of EMV/RUB of costs



Effectiveness of other sustainable development projects, RUB of EMV/RUB of costs

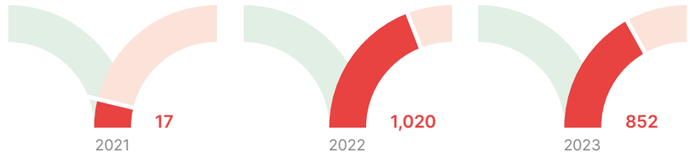
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

A 2-fold increase in raising state support for projects by 2025



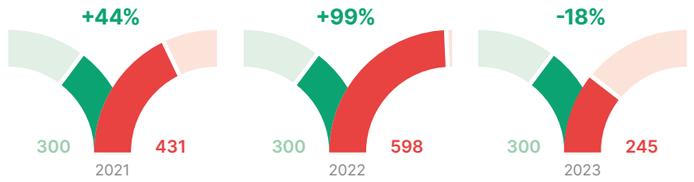
Raising state support for the implementation of infrastructure and innovative projects, RUB million

Filling the portfolio with innovative projects to reduce the carbon footprint by 20%

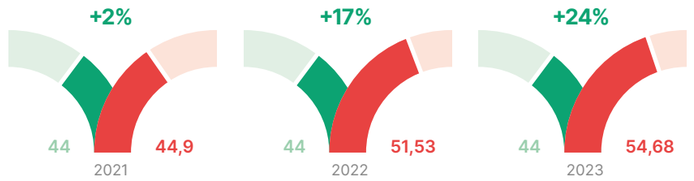


Expected volume of reduction and utilization of CO_2 (Scope 1) due to innovation, thousand tons of CO_2e

Ensuring a high scientific level of innovation activity



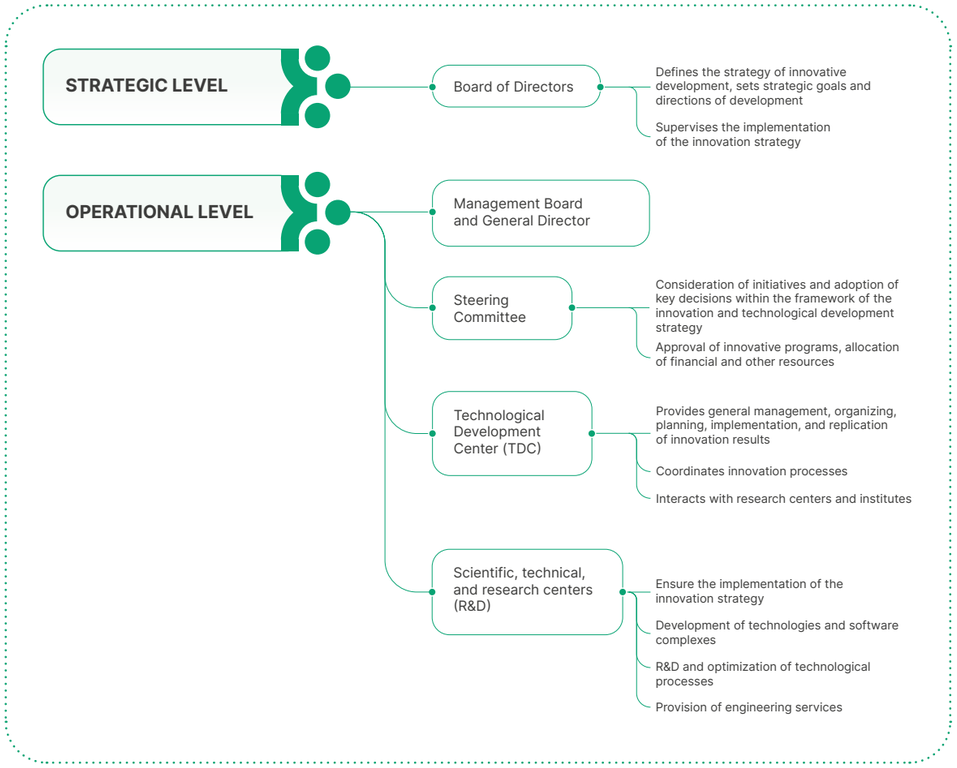
Number of applications for new protection documents for intellectual property items, pcs.



Share of used protected objects of intellectual property in the total number of titles of protection, %

MANAGEMENT SYSTEM

The innovation management system covers all the main levels of management


STRATEGIC LEVEL
Board of Directors
Defines the strategy of innovative development, sets strategic goals and directions of development
Supervises the implementation of the innovation strategy
OPERATIONAL LEVEL
Management Board and General Director
Steering Committee
Consideration of initiatives and adoption of key decisions within the framework of the innovation and technological development strategy
Approval of innovative programs, allocation of financial and other resources
Technological Development Center (TDC)
Provides general management, organizing, planning, implementation, and replication of innovation results
Coordinates innovation processes
Interacts with research centers and institutes
Scientific, technical, and research centers (R&D)
Ensure the implementation of the innovation strategy
Development of technologies and software complexes
R&D and optimization of technological processes
Provision of engineering services

Documents regulating the processes of innovation management:

- Regulations on innovation activities in the TATNEFT Group
- The standard of organizing the system of material incentives for scientific and technical activities

FOCUS OF INNOVATION ACTIVITY

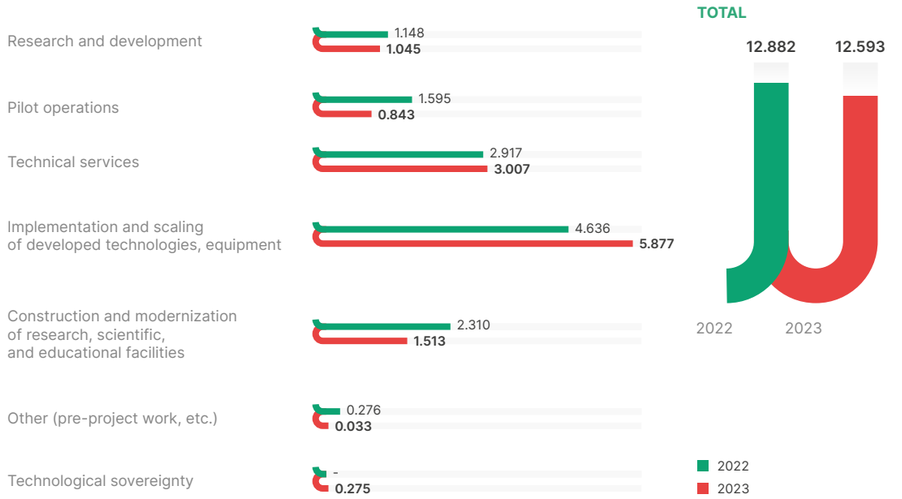
Synchronization with the development strategy

- Technological sovereignty
- Reducing the impact on the climate
- Development of internal integration and synergy
- Growth of internal and social efficiency

Development of end-to-end technologies

- Digitalization
- New materials
- Biotechnology

Investments in innovation, RUB billion



oil production facilities, 3D modeling, “smart fields,” and much more. The contribution of innovations and new solutions along the entire production chain to the implementation of the strategy is up to 30%, and this share will only increase due to investments in the creation of promising developments.

All projects developed by the Company are assessed in terms of ESG risks and the contribution to a sustainable energy future. Among the current developments is an innovative technology based on artificial intelligence, which will allow for operational analysis of the oil preparation process and issue recommendations for optimizing fuel and electricity consumption. The implementation of the technology will reduce the specific indicator of greenhouse gas emissions according to Scope 1.

The 2023 innovation investment efficiency indicator demonstrates the high economic efficiency of the projects being implemented (calculated as the ratio of the total costs of innovation to the expected monetary results). Additionally, about RUB 400 million was received from the state for the implementation of innovative projects. To achieve the strategic goal of reducing the carbon footprint, the innovation portfolio includes projects with the potential effect of reducing emissions by 0.85 million tonnes of CO_2e.

Specific EMV, RUB of the implementation project for RUB 1 invested in R&D, RUB/RUB

RUB 12.6 billion

investments in innovation

Intellectual property

3,933
implemented ideas in 2023

> 100
trademarks

400
protection documents
for the intellectual products

3,321
active intellectual products

The TATNEFT Group is one of Russia's top innovators, and its achievements are celebrated each year through numerous victories in various competitions:

Top 100 Goods of Russia all-Russia competition in the Industrial and technical services nomination	1 service is the winner of the competition
Top 50 Innovative Ideas for the Republic of Tatarstan competition	7 projects are winners of the competition
State Prize of the Republic of Tatarstan in the field of science and technology	8 employees are award winners
XXIV All-Russia Engineer of the Year - 2023 Competition	9 employees are winners of the competition
Young Innovator and Inventor of the Republic of Tatarstan competition	18 employees are diploma recipients and competition winners

Research cluster structure

The Company pays special attention to the development of intra-corporate collaborations of research, engineering, marketing, and production subdivisions. The development of this ecosystem allows for the implementation of complex technological solutions using the intellectual and production resources of the composite, mechanical engineering, digital, and biotechnological clusters, etc. The introduction of new technologies provides an increase in cash flow through the use of integrated technological developments and IT solutions.

The Company has established a robust scientific and technical foundation for the creation and deployment of cutting-edge solutions many of which are unparalleled and highly distinctive in the industry and in the technology supply market. Eight R&D centers of the Company are dedicated to researching various avenues of innovation.

8 R&D centers
providing 364 technological challenges

2,600
research staff

Research cluster structure

TatNIPIneft Institute	Technologies for exploration, oil field development technology, well construction and repair, production technology, oil treatment, protection of oilfield equipment from corrosion, design of oil field facilities, industrial and civil engineering.
NTC Tatneft	Enhanced oil recovery, extraction of metals from produced water, ultra-viscous oil extraction technologies, biotechnological methods for producing industrially significant products, software solutions
NTC Togliattikauchuk	Development and optimization of organic synthesis processes, synthesis of rubbers and polymers and catalysts for their production, availability of unique competencies in the field of chemistry and technology of production of organic synthesis products
TatNIIneftemash	R&D in the field of oilfield mechanical engineering, the manufacture of a set of laboratory stands for assessing the thermal efficiency of equipment as well as the production of unique oilfield equipment.
VNIIUS	Technologies for the processing of hydrocarbon raw materials and inorganic chemistry, processes for the purification of oil, gas, petroleum products, and wastewater from sulfur compounds, the manufacture of catalysts for the desulfurization of hydrocarbon raw materials, the development of oil treatment and gas fractionation technologies
INKO-TEK	Project support of construction in the field of oil refining and petrochemistry (support of construction at the stages of pre-design study, obtaining technical conditions for connection, elaboration of transport solutions, passing State Expert Review and industrial safety expert review)
NTC Automation, Measurements, Engineering	Supply of devices, equipment, and software, as well as provision of engineering services in the field of production automation
Neftekhimproekt	Design of oil industry facilities (arrangement of oil and gas fields, reservoir pressure maintenance systems, oil sludge processing and disposal facilities, oil reception, storage, and delivery points)

Partnership with scientific industry centers and technology centers

The innovation strategy is being implemented in cooperation with domestic and foreign leading scientific, technical, and technological centers, which allows for the integration of production tasks and large-scale experience with innovative scientific potential in all areas of activity.

The synergistic effect is achieved through the use of complex technological developments and IT solutions.

The Company's partner network covers a wide range of external innovative service providers and includes over 150 Russian and Republican universities, research centers, and technology companies.

Joint innovation activities to develop innovative products of industry significance can improve the efficiency and sustainability of production processes.

Under the scope of the Artificial Intelligence and Digital Technologies federal projects of the Digital Economy of the Russian Federation national program, the following projects are implemented:

- Comprehensive Visual Analytics platform
- Integrated digital platform for geological and technological monitoring of oil and gas field development

Within the framework of the Artificial Intelligence in Industry Association, the Industry Center for Robotics Competencies was established. The creation of an industry center is an important stage in the implementation of the Russian government's robotization strategy for the oil and gas industry, in which artificial intelligence is one of the priority technologies to be implemented in the industry. The activities of the Industry Center are aimed at stimulating the development of Russian industrial robots and their technical components. The company is implementing artificial intelligence tools across all business areas.

In 2024, it is planned to further develop the infrastructure for attracting scientific and engineering personnel to implement innovative technological projects and bring the results of research work of the institutes to industrial implementation.

19
new technologies

16
types of equipment handed over for implementation

118
technological solutions being tested

184
scientific studies carried out in corporate and partner research centers

31
innovative projects aimed at replication

Targeted programs with research institutions:

- Creation of unique sorbents for extraction of valuable components and water purification,
- Applied wave technologies in the areas of oil production and refining,
- Obtaining new materials,
- Processing of polymer waste.

Interaction with higher educational institutions

- Development and implementation of digital systems
- Obtaining products from biological raw materials
- Feed protein production
- Development of additives for motor oils

SUPPLY CHAIN

GRI 3-3, 308-1, 407-1

DEVELOPMENT STRATEGY

The Company strives for a supply chain based on the principles of equal opportunities, excluding discrimination in any form, full transparency in decision-making, competitive advantages, and assessment of compliance with the priorities and principles of sustainable development adopted by the Company, including the goals of reducing the carbon footprint and moving to carbon neutrality with regular analysis of supply chains to avoid conflict and violation of the rights and legitimate interests of other parties. The Company constantly improves its supply chain mechanism and interacts with its suppliers, contractors, consumers, and customers to increase the transparency and sustainability of their activities, while expecting them to implement the fundamental principles of sustainable development in their operations.

Today, the development of our material logistics strategy is focused on improving our business sustainability through managing a full and connected supply cycle (a supply chain) and using the Company's funds efficiently.

The supply chain management strategy's contribution to the Company's value growth will reach RUB 9.3 billion by 2025.

Challenges 2022–2023:

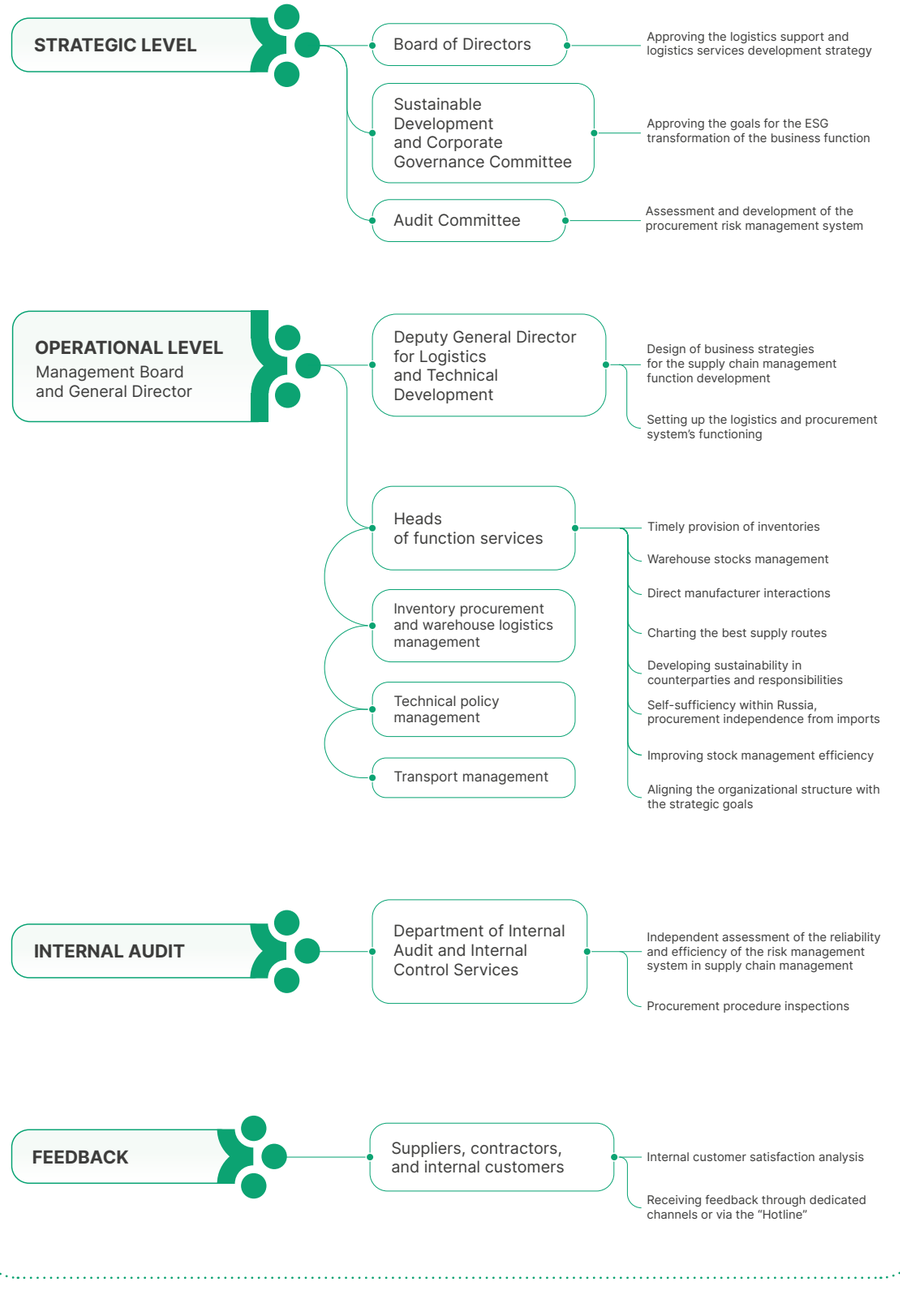
- Mass disruptions in supply chains and growing expenditures over some parts of the logistics chain
- The demand to ensure "technology sovereignty" within a short period
- Lack of supply chain management system flexibility
- Supply chain management complications brought in by asset acquisition
- ESG transformation: integration of sustainable development principles into supply chain management

2024–2025 Main Goals and Objectives:

- Setting up sustainable and open supply chains
- Achieving sovereignty in technology
- Efficient management of operating assets.
- Synchronizing strategic goals with business assets

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Corporate Governance System


STRATEGIC LEVEL
Board of Directors
Approving the logistics support and logistics services development strategy
Sustainable Development and Corporate Governance Committee
Approving the goals for the ESG transformation of the business function
Audit Committee
Assessment and development of the procurement risk management system
OPERATIONAL LEVEL
Management Board and General Director
Deputy General Director for Logistics and Technical Development
Design of business strategies for the supply chain management function development
Setting up the logistics and procurement system's functioning
Heads of function services
Timely provision of inventories
Warehouse stocks management
Direct manufacturer interactions
Charting the best supply routes
Developing sustainability in counterparties and responsibilities
Self-sufficiency within Russia, procurement independence from imports
Improving stock management efficiency
Aligning the organizational structure with the strategic goals
Inventory procurement and warehouse logistics management
Technical policy management
Transport management
INTERNAL AUDIT
Department of Internal Audit and Internal Control Services
Independent assessment of the reliability and efficiency of the risk management system in supply chain management
Procurement procedure inspections
FEEDBACK
Suppliers, contractors, and internal customers
Internal customer satisfaction analysis
Receiving feedback through dedicated channels or via the "Hotline"

Procurement system centralization

Efficiency of TATNEFT Group procurement is improved by centralizing business processes in inventory management, procurement competitiveness expansion, synchronizing approaches to supplier management, replicating best practices, and handling losses. In doing so, the main effect achievement effort is focused on improving process effectiveness through setting up alternative supply sources.

All business functions that require procurement in total of RUB 100+ billion are covered by the centralization perimeter.

54%

The project coverage of the Group entities

0.65

The current centralization value, the target for 2025 is 1.0.

RESPONSIBLE INTERACTION

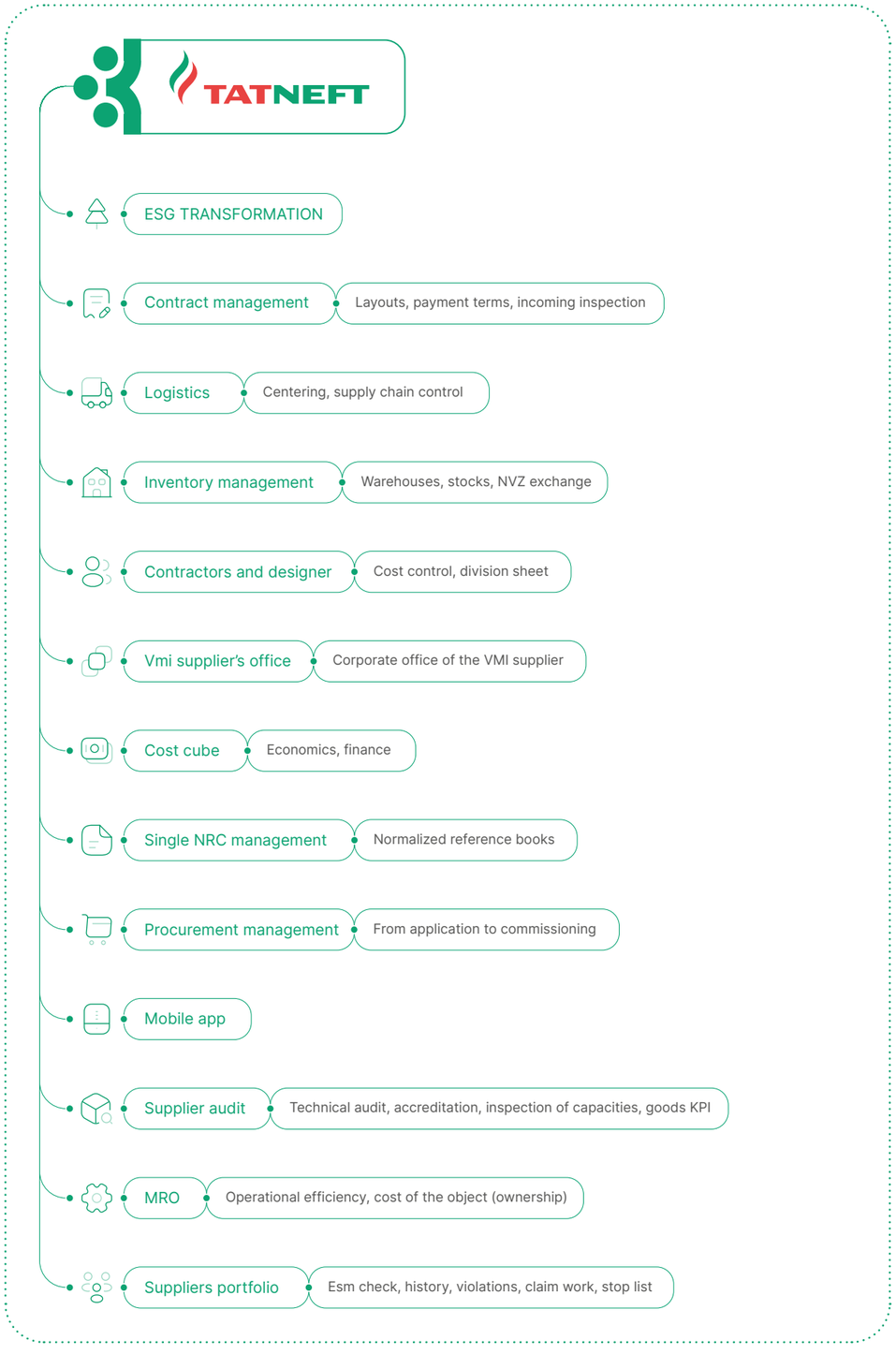
GRI 414-1, 407-1 SASB EM-EP-540a.2

Building a responsible supply chain plays an important role in achieving sustainable development goals, so the Company develops responsible procurement practices by working with responsible and reliable suppliers who comply with legislation and responsible business practices.

The Company makes all its suppliers, contractors, business partners, and other stakeholders aware of its Human Rights Policy. When signing a contract, a counterparty voluntarily embraces the PJSC TATNEFT partner ethics principles

The Company upholds a policy of interaction with its partners, suppliers, contractors, and subcontractors complying with the principles of mandatory respect for human rights throughout the entire supply chain. This means that the Company strictly adheres to fundamental international human rights principles and norms in all its business relations, to be endorsed by all the parties involved in any business processes. The Company does not use forced labor, bonded labor, human trafficking, child labor in its supply chain and also opposes any form of discrimination, cruel, inhumane, and degrading treatment and sexual violence. The Company expects its business partners and counterparties to adhere to these principles and commits to use and improve special mechanisms to prevent any violations in any areas of the Company's activities and obliges its suppliers, contractors, subcontractors, and other counterparties to prevent human rights violations in their activities and their chains supplies. To prevent any adverse effects on human rights, the Company ensures an array of measures to assess the actual and potential human rights impact.

ESG TRANSFORMATION. Integration of the sustainable development principles



To identify reliable counterparties, a multi-stage control system is used to ensure compliance with the requirements applied in the Company:

1. ESG assessment of counterparties

- Ten criteria in the “Environment“ category, including the availability of a system for accounting for greenhouse gas emissions, environmental policy.
- Nine criteria in the “Social Responsibility” category, including obligations to comply with labor protection and industrial safety rules, information on staff turnover, and financing of social programs.
- Seven criteria in the “Corporate Governance” category, including information on the risk management system, anti-corruption.
- Three criteria in the “Sustainable Development” category, including information on the sustainable development policy, as well as compliance with the counterparty employees’ rights in the field of occupational health, industrial safety, and environmental protection, including its observance of human rights.

Reviews of potential winners involve their ESG accreditation, with ESG ratings assigned. Counterparty ESG review motivates entities to improve/maintain their rating to achieve extra competitive advantages

2. Compliance Checks

Counterparties undergo a compliance check procedure to confirm that they are capable of fulfilling their obligations in high quality and timely, including requirements for experience in similar work, suitable technical means, specification and certification of products, required permits provided for by the legislation of the Russian Federation. All requirements to participants are uniform. The Company works on integrating its procurement procedure system with a specialized organization that would verify counterparty statuses.

3. Technical Audit

If the potential winner of the procurement has no relevant experience, a technical audit is carried out within Tatneft Group including a check of available sufficient technical, material, and labor resources, along with an assessment of the entity’s ability to perform the proposed scope of work or render high quality services and timely. In total, over 240 technical audits were performed in 2023; most of which were performed by the Company’s auditors visit to the contractors’ premises.

4. Due Diligence

In accordance with the principle of due diligence, a counterparty’s background check is performed in accordance with the regulations that determine the level of risk associated with signing a contract with that particular party as well as throughout the contract performance period.

IMPROVING THE SUPPLY CHAIN INTERACTION QUALITY

The market participant interaction process is constantly being modernized. Centralized online meetings are held with participants of bid procedures for public discussion of procurement technical requirements and conditions.

Winner of the Competitive Procurement Leader 2023 national competition in the Team Potential Development category

Feedback

Procurement procedure participants can provide feedback on the Company’s actions by contacting the Hotline via telephone, e-mail, or a special electronic trading platform module. Following the procurement procedures in 2023, ten claims were received from suppliers of works and services and were promptly resolved.

Development of Business Ethics

To foster the processes of interaction with the Contractor at the procurement stage, as well as for faster adaptation and more efficient cooperation when working with the TATNEFT Group, the Contractor’s Book has been developed, which contains:

- Missions and goals
- Basic principles and key values
- Rules for procurement procedures
- Interaction procedure;
- Corporate rules

We hope that the Contractor’s Book will help bring the culture of business ethics to a whole new level.

Increasing Responsibility across the Supply Chain

The Company imposes fines for breaking the delivery deadlines or inadequate quality of delivered goods, completed works, services, penalties in the field of industrial safety, labor protection, and environmental protection. This information is publicly available, and potential participants are made aware thereof at the Company procurement procedures participation stage.

Rational Consumption

The Company develops electronic document flow with its contractors. 96% of contracts, specifications, primary accounting documents are formed and signed using an electronic document flow system.

Freedom of Association

The Company builds its activities based on compliance with freedom of association and collective bargaining principles. The Company is not aware of any counterparties that may violate or bear a significant risk of violation of these rights.

Strategic Partnership

The Company builds strategic partnerships with counterparties, enabling long-term planning of production needs. The strategic partnership mechanism involves the transition to long-term contracts. The share of long-term contracts in all procurement purchases made in 2023 is 75%.

Procurement procedure

Organizing and conducting procurement procedures as well as reviewing and approving their results in the TATNEFT Group follow uniform rules:

- Goods Procurement Standard
- Works, Services Procurement Standard
- Goods, works, and services supplier verification standard following the criteria of economic security
- Corporate standard contractor work
- Standard for working with accounts receivable and accounts payable
- Regulation on anti-corruption compliance while fulfilling contractual obligations.

Procurement organizers determine the Company’s need for resources. Based on requests from the Company’s functions quarterly procurement plans and programs are formed. The procurement program is published on the trade and procurement platform of PJSC TATNEFT. Procurement organizers search for and engage contractors. Suppliers of works and services are selected via open bidding, facilitated by the use of scoring, rating of suppliers of works and services, and claims handling.

≥90%

of internal customers are satisfied with the service level

>96%

of supplies are accomplished on time

The Company's trading and procurement platforms

Federal electronic trading platform B2B-Center

Trading and procurement platform of PJSC TATNEFT

To ensure overall procurement security, the Company has implemented the following measures:

- Created a comprehensive technical control system that includes an access control system, video surveillance, recording of conversations of employees of the trading and procurement platform made via office phones;
- Prevented any uncontrolled online access for software developers of the trading and procurement platform;
- Developed a methodology for analyzing electronic traces to identify bidders' collusion;
- Contractor review and contract due diligence are performed to ensure business integrity, with the anti-corruption clause incorporated in all contracts;
- Maintaining a register of negative history of relationships with counterparties. Contractors who have committed serious violations or a series of violations are put on the "stop lists" and are not allowed to participate in bidding in the future.

A procurement organizer may decide to quote the supply between two or more counterparties where the volume of the lot is divisible and it is economically feasible. With this mechanism, the Company ensures competitiveness and diversifies risks, forms alternative supply channels, ensuring stability and continuity of the production process.

In 2023, 10,200 online procedures were carried out at the TATNEFT Trade and Procurement Platform. Their total value was about RUB 97 billion. Over 62,000 suppliers signed up to the system, of which 2,500 in 2023. The number of licensed suppliers grew by 690 in 2023.

6,500

Background checks were performed for about 6,500 suppliers and buyers

3%

of counterparties were put on the stop list

Procurement Structure, %

Procurement from local suppliers, support for entrepreneurial business

GRI 204-1

The Company implements a program to support small and medium enterprises (SMEs) based on mutually beneficial cooperation. The main forms of such cooperation are the foundation of new promising production sites for goods and services based on the freed capacities and economic facilities of the Company. The Company also supports SMEs by purchasing services and goods from them.

Service Procurement, %

from SMEs

from local suppliers

Material and Equipment Procurement %

from SMEs

from local suppliers

A project has been implemented wherein the Company acts as a procurement organizer for controlled organizations that procure from entities subject to Federal Law 223-FZ On Procurement of Goods, Works, Services by Certain Types of Legal Entities dated 18.07.2011.

100%

of procurement suppliers are Russian companies for the 2021–2023 period

Competitive advantages granted to SMEs:

While a procurement procedure if the difference between the best price quoted and the one offered by an SME is less than 10%, the SME is declared the winner.

60% of procurements are made under these conditions.

Procurement process automation

The Company has implemented an automated procurement management system integrated with the electronic trading platform, the contract management system, the electronic document flow, and other systems. Automation is focused on the transfer of routine operations to the automatic execution mode and provides:

- Control and transparency of the procurement process
- Cost reduction and acceleration of procurement procedures
- Reduction of manual labor and the number of errors
- Acceleration of procurement operations
- Qualitative analytical tools for management.

The Company has implemented a modular system for draft contracts, which automatically changes the text of the contract when certain conditions change. In addition, the bidding conditions can now also be found in a separate application, which is automatically generated from the procurement system.

Universal layouts developed by the Company cover approximately 90% of procurement contracts. The layout applications are displayed on a publicly accessible Internet resource. The process of using the automated modular contract system is replicated across the TATNEFT Group entities.

Transparency and Openness of the Procurement System

To improve communications and inform procurement participants, the Company operates several communication channels on various information platforms

Business accounts

Information on the procurement process and the participation rules

Telegram channel

Vkontakte

TPS Telegram channel

FAQ

Chatbot

Videos explaining the participation rules and specifics of the bidding procedures

YouTube

Yandex.Dzen

PRODUCT QUALITY

GRI 406-1, 416-1, 416-2, 417-1, 417-2, 417-3, 418-1

The Company adheres to the UN consumer protection guidelines and the International Covenant on Economic, Social and Cultural Rights. Maintaining strong interaction and long-term relationships with consumers are powered by the product quality control system, awareness raising and high level of services.

The Company is highly focused on continuously improving the consumer and environmental attributes of its products and services in response to changing consumer needs and expectations. It is also dedicated to reducing the carbon footprint throughout the life cycle of its products and services.

The production processes of TATNEFT Group entities are in line with the requirements of the applicable rules and regulations, with the use of cutting-edge technology, advanced equipment, hardware and software systems. The existing quality assurance and control systems guarantee that the products and services delivered meet the consumer requirements.

Long-term mutually beneficial relations with consumers are built on consistently meeting their requirements for the quality of the products and services in order to increase their satisfaction through the fulfillment of contractual obligations. The TATNEFT Group integrated management system, based on compliance with the management principles and requirements of ISO 9001, ISO 14001, ISO 45001, ISO 50001, is a guarantor of the stable supply of high-quality products and services for a consumer, with due account for the applicable regulations.

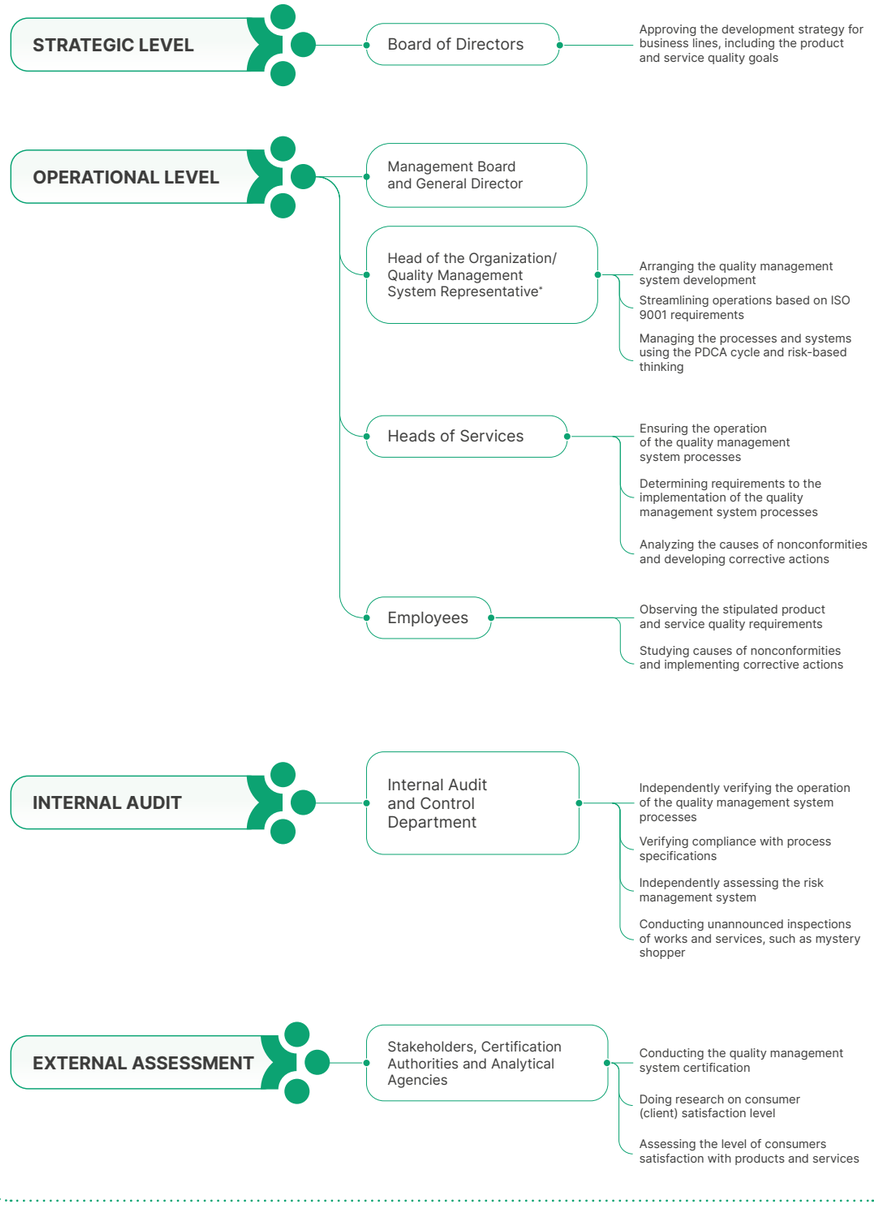
TATNEFT Group Integrated Management System Policy is designed for:

- consistently providing competitive high-quality services and products to consumers
- creating and maintaining safe and favorable working environment for the Company employees and contractors
- minimizing the adverse impact on the environment to preserve favorable environment and climate for present and future generations
- rationally using natural resources involved in production, implementing the best technology, equipment, materials and digital management solutions improving the energy efficiency of processes t
- increasing energy efficiency of processes to ensure savings and rational use of energy resources and reduction of energy costs
- developing, continuously improving the management system and corporate culture as the basis for achieving all goals

Providing competitive high-quality services and products is one of the primary goals of the Integrated Management System.

The products manufactured by the TATNEFT Group consistently meet the highest quality standards, as evidenced by numerous prestigious awards at national and Russian competitions, as well as by the Government of the Russian Federation Quality Award.

Management System


STRATEGIC LEVEL
Board of Directors
Approving the development strategy for business lines, including the product and service quality goals
OPERATIONAL LEVEL
Management Board and General Director
Head of the Organization/ Quality Management System Representative*
Arranging the quality management system development
Streamlining operations based on ISO 9001 requirements
Managing the processes and systems using the PDCA cycle and risk-based thinking
Heads of Services
Ensuring the operation of the quality management system processes
Determining requirements to the implementation of the quality management system processes
Analyzing the causes of nonconformities and developing corrective actions
Employees
Observing the stipulated product and service quality requirements
Studying causes of nonconformities and implementing corrective actions
INTERNAL AUDIT
Internal Audit and Control Department
Independently verifying the operation of the quality management system processes
Verifying compliance with process specifications
Independently assessing the risk management system
Conducting unannounced inspections of works and services, such as mystery shopper
EXTERNAL ASSESSMENT
Stakeholders, Certification Authorities and Analytical Agencies
Conducting the quality management system certification
Doing research on consumer (client) satisfaction level
Assessing the level of consumers satisfaction with products and services

* In business lines that sell products and services to end users

PRODUCT AND SERVICE SAFETY FOR CONSUMER HEALTH, AND LABELING

The Company has a strong commitment to providing reliable information on its products and services, including their compliance with the industry quality standards, information on environmental performance and climate impact.

Certification

Information on the product components is set out in the product specifications. All marketable products are identified using quality certificates and by applying labels on a packaging unit of the products.

Marketable products undergo the necessary certification and homologation procedures. Certain category products exported undergo REACH certification and are accompanied with a material safety data sheet. Verification is carried out by obtaining an opinion on the finished product compliance with the unified sanitary-epidemiological and hygienic requirements for products subject to sanitary-epidemiological surveillance.

Safety Data Sheets

To ensure safety of consumers, safety data sheets have been developed for each marketable product. A product safety data sheet is a mandatory component of the technical documentation for the products, which is primarily designed to provide a consumer with information on the safety of industrial use, storage, transportation, and disposal (liquidation) of products as well as information on substances that may have an impact on the environment and the consumer's health. The safety data sheet is available for each petrochemical marketable product.

Digital Product Data Sheet

The Company implements automated accounting systems for manufactured products (product data sheets). A digital data sheet is a summary of technical characteristics, classification data, information on suppliers, manufacturers, certificates of conformity, logistic characteristics and other significant information. As a rule, this technology is used for internal consumption and management reporting.

At the end of 2023, the Company supported the initiative for expanded consumer awareness raising on the product properties. The tire business prepares digital product data sheets that will help consumers make a more informed decision when buying tires and give due regard not only technical and price parameters, but also the impact on the environment. The data sheet is a tool to expand knowledge on the tire composition, calculate the carbon footprint during transportation and production, which also gives useful advice on the proper storage, transportation and disposal of a tire at the end of its life cycle.

Labeling

All manufactured products are labeled. Information on the product components, data on substances that may have an environmental or social impact, information on how to use the product safely and dispose of it, its impact on the environment, and other labels are provided in the product safety data sheet. Appropriate labeling and hazard signs are applied to each container unit. The products are labeled in accordance with the applicable international and Russian standards and regulations. The Company products do not exceed the maximum permissible concentrations of harmful substances as per national standards.

100%

of the product categories are covered by labeling procedures

100%

of manufactured products are assessed for impact on customer health and safety

Consumer Awareness

The Company uses all available communication channels to inform the product and service consumers by placing

- quality certificates at the product sale points
- advertising and informational materials describing the composition and properties of the products sold, the procedure for safe use and disposal, the environmental impact at the product sale points, on the Company website, social networks, and mobile application
- traffic patterns, rules of conduct, packaging disposal sites at retail product sales facilities

Improving Consumer Service Quality

The Company gives due regard to the requirements of consumers, needs and expectations of stakeholders to increase their satisfaction and loyalty and improve its reputation.

The Company bears in view that the consumer requirements are dynamic, and conducts monitoring and analysis of the information regularly through benchmarking, analysis of the product sales market and the consumer market. The influence of various consumer groups and their respective requirements are taken into account when conducting a SWOT analysis, which allows the Company to manage risks and opportunities for improving the consumer satisfaction.

The Company guidelines and quality standards are aimed at applying a "process approach" in implementing and improving the quality management system efficiency to increase the consumers' satisfaction by meeting their requirements.

For effective interaction, the following efforts are made to implement the communication strategy:

- improving the quality of the client service
- conducting a study of the client satisfaction indicators and the Company brand health using the Mediascope statistical database
- conducting regular surveys and receiving feedback through mobile apps
- implementation of inspections using the secret shopper method
- support for feedback channels via the Hotline by phone or email

No cases of non-compliance with the rules regarding the impact of the products and services on health and safety, concerning the product and service information and labeling, marketing services

Client Confidentiality

The Company responsibly uses mechanisms to ensure the principle of consumer privacy and the protection of its clients' personal data and abides by the national legislation and international best practices that take into account the key rights of its clients:

- the right to know about the collected personal information and how it is used and transmitted
- the right to delete the personal data provided
- the right to refuse to transfer personal information to third parties
- the right to non-discrimination in the exercise of one's rights

The clients' confidence is a top priority for the Company, therefore we apply advanced technical security measures to ensure the confidentiality of our clients and respect their rights to information protection. The clients' information databases include persons who have given their consent to the processing of personal data. For security purposes, the client authorization system is regularly updated. Customer surveys are conducted using the confidential questionnaire method.

The Company ensures the confidentiality of information in relations with clients and partners by signing nondisclosure agreements with counterparties and partners at the stage of negotiations, entering into and implementing contracts, observing the confidentiality mode set forth by the following local regulations of the Company:

- Confidential Information Regulations
- Rules for Use of Information Resources
- Personal Data Regulations
- Trade Secret Regulations

Materials Used for Product Manufacture and Packaging

GRI 301-1

TATNEFT Group manufactures a wide range of products for business and retail. The largest part of TATNEFT Group products is not subject to packaging. These include crude oil, O&G refining products, petrochemical products, large-scale equipment, car tires, etc. The share of products to be packaged is insignificant both among the Group products and among the products of business lines.

The Company uses a wide variety of materials to transport the products subject to packaging: wooden pallets and crates, coils for winding, big bags, stretch films, corrugated cardboard packages, polymer materials, metal, etc. Due to different units of measurement of the packaging used (pieces, weight, footage), the Company does not consolidate information on the percentage of packaging materials used.

At the same time, the Company adopts a responsible attitude to the environmental impact and applies all reasonable methods to reduce the carbon footprint that is formed as a result of the use of packaging materials. For example, the corrugated cardboard packaging used is made from 100% recycled raw materials, 50% of the stretch film used is recycled, wooden containers are processed at pyrolysis plants to produce bio-oil (a component for fuel production) and biochar (fertilizer).

About 70% of the packaging materials used in the fuel business in food production and client service of the retail chain are made of renewable materials (paper and wood). All packaging materials that enter the retail chain with related products will be recycled.

During the reporting period, there were no complaints about breaches of confidentiality or loss of customer data

GOVERNMENT RELATIONS

GRI 201-4, 415

Liaison with public authorities and local governments builds on openness to cooperation and a high level of information transparency. Formats of interaction include: discussions within national and international economic forums; participation in exhibitions, conferences, round tables, sectoral and intersectoral committees, working groups, meetings of ministries and departments.

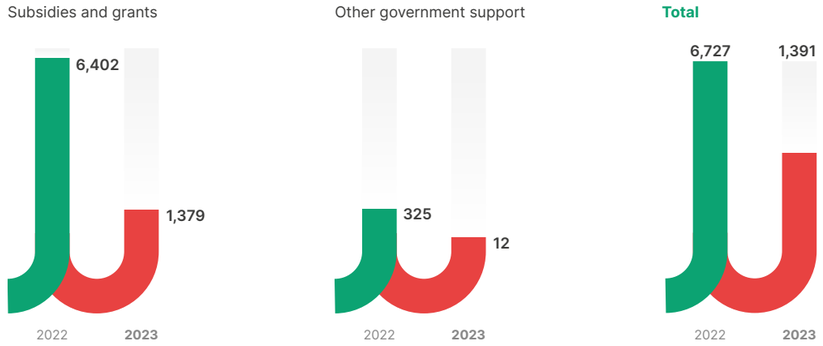
The Company participates in improving the system of state regulation of business activities as a member and partner of non-profit business associations and unions, other civil society institutions within the framework of the mechanisms of liaison with state authorities and local governments provided by law, such as public discussion of draft regulatory legal acts and assessment of the actual impact thereof on social relations.

Work is underway on an ongoing basis as regards the payment taxes and levies, improving the regulatory environment, cooperation with the authorities and local governments in the implementation of long-term economic and/or social programs.

For the purposes of arranging the efficient interaction with authorities, the Company has the standard in place: Interaction of Business Units of PJSC TATNEFT in Liaison with Public Authorities of All Levels.

In accordance with its internal regulations, the Company does not participate in the activities of political parties and movements nor does it provide financial support, directly or indirectly.

The government support of projects, ₽ mln.



TAX POLICY

GRI 207-1, 207-2, 207-3

The Company is a responsible taxpayer in the regions where it operates and plays an important role

in securing revenues for the federal and regional budgets, which boosts steady social and economic development of the regions, creates good jobs, improves living standards, welfare and social infrastructure, increases added value and develops related industries.

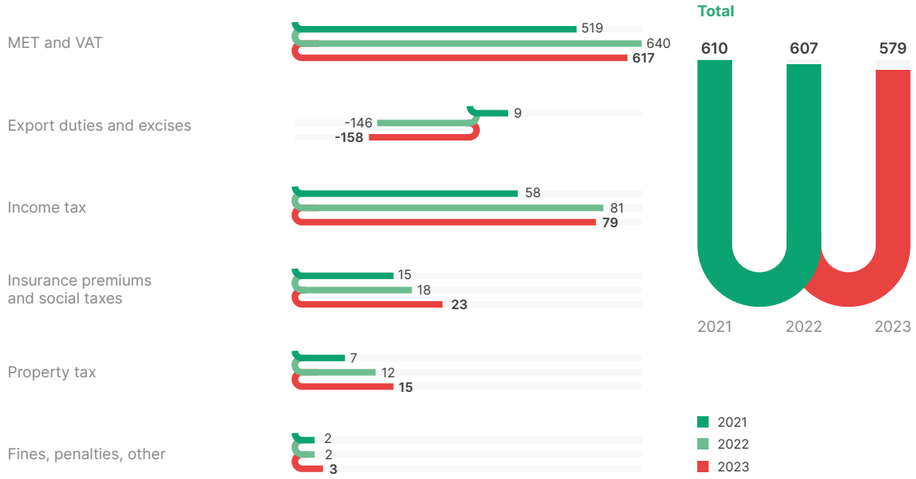
The Company discloses the amount of taxes assessed and paid, and also comments on the tax conditions applicable to the Company in order to ensure transparency to stakeholders regarding material benefits generated by natural resources in accordance with the Global International Extractive Industries Transparency Initiative as part of the Global Standard for the Good Governance of Oil, Gas and Mineral Resources. The Company pays increased attention to assessing the conscientious observance of tax legislation by counterparties involved in the financial and economic activities of TATNEFT Group.

The transparency of our financial results and the volume of tax payments are a good demonstration of how responsible exploitation of natural and energy resources enables the federal and regional budgets to replenish revenues for the further economic and social development.

We give due regard to trends in international tax policy, that prevent unfair practices of taxpayers in terms of use of tax planning schemes, as well as strengthening requirements for the transparency of tax information at the intercountry level, including the set of measures to prevent the Base Erosion and Profit Shifting (BEPS).

The Company annually publishes a Report on Payments to States in Connection with Extractive Activities, which complies with the EU Directive on transparency in the reporting of payments to states by mining companies with securities are listed on recognized stock exchanges in the EU. The purpose of such disclosures is to ensure transparency for the public in relation to wealth generated by natural resources collected by resource-rich countries. This Company's approach is in line with the Global Extractive Industries Transparency Initiative.

Taxes and levies, RUB bln



MACROECONOMICS

GRI 201–2

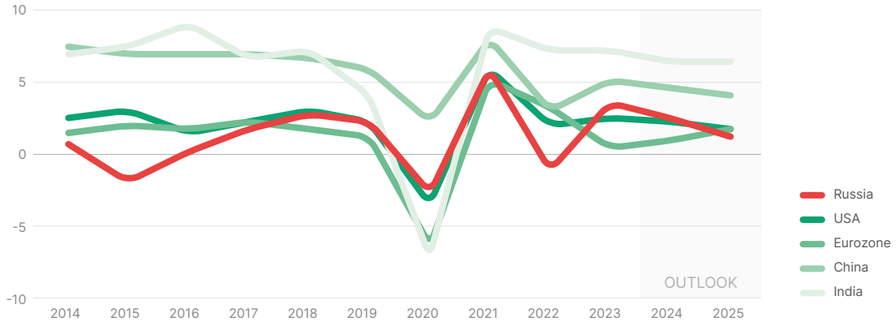
Key Trends

In 2023, the global economy continued recovering, spurred on by various macroeconomic factors, including diminishing global trade, tightening monetary policies in advanced economies (to counteract high inflation rates), and raising geopolitical tensions. Preliminary IMF estimates say that the global GDP growth in 2023 was 3.1%, down from 3.5% in 2022.

The US economy accelerated to 2.5% growth in 2023 (1.9% in 2022)—due to a boost in investment activity in H2 2023, and the steady growth in general consumption. Experts believe that the future of the US economy will depend on the labor market condition (employment rate) and the monetary policy. As per the IMF forecast, the US GDP will grow 2.1% in 2024, slowing down to 1.7% in 2025.

According to preliminary data, the Eurozone economy slowed down to 0,5% in the reporting year (down from 3.4% in 2022). High energy prices (while decoupling from the relatively cheap Russian energy), worsening financing conditions were significant deterring factors for the economic activity in the region. In 2024, the GDP is expected to grow by 0.9%.

GDP Growth trends, %



Sources: Government statistics agencies, mass media, IMF

In 2023, the Chinese economy growth rate was 5.2%, which was above the target level (5%), thanks to the country abandoning its zero-tolerance anti-COVID-19 policies, complemented by the government's stimuli. For 2024–2025, the IMF forecasts GDP growth at just 4.6% and 4.1% respectively. Experts believe that the weak foreign demand and complications in the Chinese real estate market will be the factors precluding the economy from achieving the pre-pandemic growth rate.

Russian GDP grew by 3.6% in 2023, the most in the last 10 years (excluding the 2021 post-pandemic growth). The growth was caused, first of all, by the expansion of goods and services consumption by households (underpinned by growing disposable incomes, employment, and the soft monetary policy conducive to mortgage loans), quick pivot in exports (oil&gas exports in particular), and import substitution programs. The IMF forecast for 2024 is 2.6% growth, and 1.1% for 2025 (with expected 2.3% growth rate per the Ministry of Economic Development's base scenario).

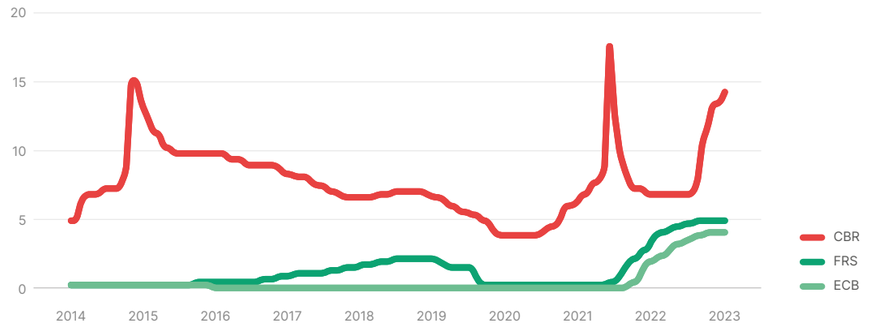
For the next couple of years, the IMF foresees the global economy growth rate at 3.2% or slower (which is below the 2000–2019 average of 3.8%). On top of that, further tightening of monetary policies, especially in advanced economies, shrinking investments, growing geopolitical risks, accelerating inflation, and weakening international demand may lead to downward corrections of the outlook.

Monetary Policy

Despite the slow rate of economic recovery, in 2023 leading central banks proposed tightening the monetary policies to contain inflation.

The US Federal Reserve System (FRS) hiked the base interest rate four times in the first seven months of 2023, from 4.25–4.5% to 5.25–5.5%. As the inflation pressure weakened (consumer price grew 3.4% in 2023 compared to 6.5% in 2022), the rate remained at that level until the year-end. At the December press conference, the regulator called further interest rate hikes unlikely, thus signaling to the market that the monetary policy is going to soften in 2024.

FRS, ECB, CBR Refinancing Rates, %



Source: CBR, FRS, ECB

The European Central Bank (ECB) also hiked its base rate six times during the year: from 2.5% to 4.5%. Thus, to contain inflation and bring it to the target value, the European regulator has changed the rate up 10 times since July 2022. In 2023, consumer prices in EU countries grew by 3.4% (by 2.9% in the Eurozone). The lowest inflation was in Denmark (0.4%), Belgium and Italy (both 0.5%). The highest inflation rates were documented in the Czech Republic (7.6%), Romania (7.0%), and Slovakia (6.6%).

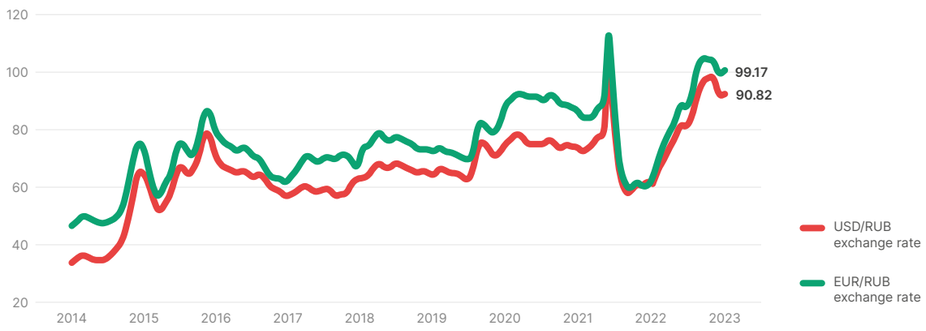
Underpinned by rapid consumer demand recovery, the national currency weakening noticeably (in the context of imports rebounding, and exports shrinking in monetary terms), and accelerating inflation (including core inflation), starting from July 2023, CBR switched to tightening its monetary policies. In July—December 2023, the key interest rate was raised 5 times, from 7.5% to 16.0%. In its midterm forecast, the CBR (February 2024) envisions the average key rate for 2024 at 13.5–15.5% and 8–10% for 2025.

3.1%
Global GDP year end 2023

2.5%
US GDP year end 2023

3.1%
Russia GDP year end 2023

RUB/USD and RUB/EUR Exchange Rate



Source: Central Bank of Russia

According to CBR, the annual inflation rate was 7.42% in December 2023 vs. 11.94% in 2022. The Russian regulator expects the annual inflation rate to drop to 4.0–4.5% by the end of 2024 under the current monetary policies (5.8–6.5% annual average), and stabilize around 4% by 2025.

In general, according to the IMF, the price pressure on the global economy weakened in 2023; the global inflation rate dropped to 6.8% (-1.1 percentage points compared to 2022). Steps taken by regulators in many countries—mainly by central banks of major advanced economies—had a positive effect, bringing the inflation rate down. It is expected to keep decelerating in 2024 and 2025: to 5.8% and 4.4%, respectively.

Global Production and Consumption of Oil Products

In the global oil market, the demand continues to recover. In 2023, global consumption of oil products (including petroleum, diesel and jet fuel, fuel oil) grew almost by 3% compared to 2022, remaining 1% below the pre-pandemic level (2019). Jet fuel recorded the highest growth, by ~16%, reaching 89% of its pre-pandemic level. Broken down by regions, the leader in kerosene demand growth was China (over 70%) which abandoned its zero-tolerance anti-COVID policies early last year. Global consumption of petrol and diesel has rebounded to the average 2019 level, growing by approximately 3% and 1%, respectively, compared to 2022. As the international agency estimates, the demand for major oil products is expected to go slower in the coming year: by 1.7% in 2024, and by 0.9% in 2025. Those changes are going to primarily concern petroleum (in China, the US, and European countries where the switch to electric cars is in full swing) and diesel fuel.

Growing fuel efficiency of vehicles, and development of alternate energy sources (biofuel, natural gas, and electricity), along with new processing capacities being launched all over the world will help adjust marginality of road fuel (in particular, the launching of several refineries with total capacity of about 2 million barrels per day is planned in 2024 in Africa, Asia, the Middle East, and Latin America; this additional output will be partly offset by some refineries closing in the UK and the US). In 2024–2025, crack values (the difference between crude oil and oil product prices) for petroleum and diesel will be lower than in 2023 but are going to, nevertheless, remain above the historical minimum recorded before 2022.

In the long run, the demand for key oil products will depend on population growth, the GDP dynamics, the low-carbon generation development, and the energy transition rates. According to forecasts, North American and European countries will gradually phase out petroleum and diesel, starting as soon as in the latter half of the current decade. In the Asia-Pacific countries, the demand for similar products will peak in 2030–2035 and go down thereafter (by 1% per year, on average). However, the long-term decline in diesel fuel demand would be less steep compared to petroleum—due to an increase in freight flows and a slower switch to electricity in commercial cargo vehicles. In Africa, road fuel consumption will keep growing after 2030, but the growth rate will slow from 2.3% to 1.2%.

Experts foresee that the main drivers of the long-term growth of global demand for oil and oil products will be the expanding naphtha demand from the petrochemical industry (by 1.4% per year on average until 2050) and the demand for jet fuel (the oil demand growth by 1.2% on average till 2050 will be mostly due to strengthening regional and domestic air links).

Key factors that can influence the long-term marginality of manufacturing major oil products:

- Closure of some poorly-performing refineries in advanced economies, or their switch to biofuel;
- Closure or launch of new processing capacities after 2030;
- Transport decarbonization slowing down, e.g., due to a lack of process solutions, incentives (governmental ones, first and foremost), the high cost of electric vehicles and infrastructure production/purchase/maintenance;
- Low economic growth holding back oil consumption;
- Accelerating energy transition, e.g., due to concerns over regional energy security.

Global Oil Market (including the Russian Federation market)

According to the data provided by the US Department of Energy's Energy Information Administration (EIA), the demand for liquid hydrocarbons reached 101 million barrels per day in 2023, up by 1.85 million barrels per day (1.9%) compared to 2022. The bulk of growth was observed in China (extra 0.79 million barrels per day, up to 15.94 million barrels per day) and India (extra 0.29 million barrels per day, up to 5.31 million barrels per day). In December 2022, China started canceling its anti-COVID restrictions quickly, including limitations on population mobility, which provided the recovery of economic activity and growing consumption of oil and oil products. Accelerated expansion of the petrochemical industry was another extra factor that served to grow the Chinese demand.

Liquid hydrocarbon consumption growth in India was brought in by significant economic growth, and using cheaper Russian oil for re-export of Indian-made oil products to Europe. Experts recognize that, due to its rapid economic growth, growth of middle class, low rate of electric vehicle takeover, and the plans to expand domestic refining capacities by over 20% by 2028 (+56 million tons, or 1.12 million barrels per day), India might replace China as the main long-term driver of oil demand.

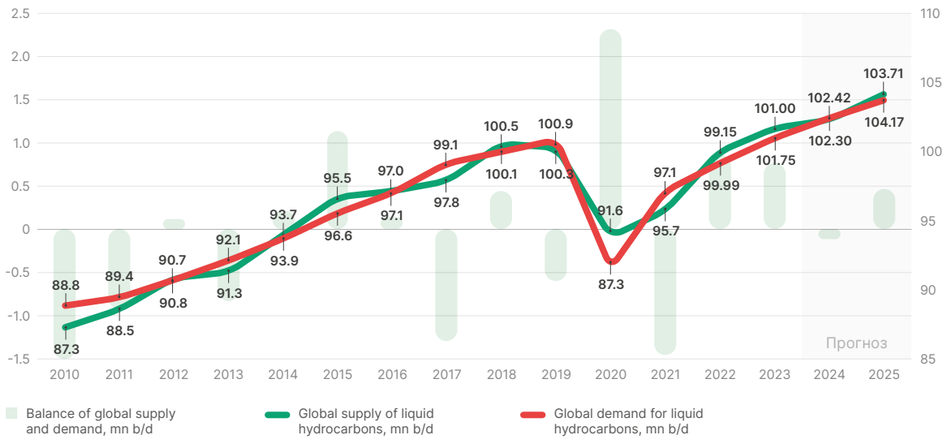
In 2023, liquid carbon consumption in European countries shrank by 0.06 million barrels per day compared to 2022. Low activities in the industrial and petrochemical sectors had an impact on demand for diesel and petrochemical materials. Stability in the service sector, along with active private consumption, however, supported the demand for petroleum and jet fuel.

According to international experts, global consumption of liquid hydrocarbons will keep growing in the next two years, but not as fast, reaching 102.42 to 104.36 million barrels per day in 2024 and 103.71 to 106.21 million barrels per day in 2025. Furthermore, the bulk of growth will be provided by non-OECD countries, including China, the Middle East, and India.

In the long run (baseline scenario up to 2050), the demand for liquid hydrocarbons is expected to reach its peak in the early 2030s and will start a gradual decrease thereafter, while remaining above 100 million barrels per day by 2050.

The global liquid hydrocarbon supply in 2023 was at 101.75 million barrels per day. According to the US Energy Information Administration, the increase in supply was mainly provided by the US (+1.61 million barrels per day, inter alia, due to the current wells' performance gain and launch of some that have been already drilled but were not completed), Brazil (+0.48 million barrels per day, mostly due to offshore subsalt wells), Guyana, Norway, China (the last three together providing +0.38 million barrels per day). Countries relieved from keeping to the OPEC+ production quotas also grew their output: Iran (+0.33 million barrels per day), Mexico (+0.22 million barrels per day), Venezuela and Libya (+0.18 million barrels per day total for both). Quite the contrary, OPEC+ countries cut their production down.

Oil market balance in 2010–2023, with a forecast up to 2024–2025, mn b/d



Source: Energy Information Administration of the US Department of Energy as of February 6, 2024

To maintain stability and balance in the oil market in 2023, OPEC+ countries repeatedly introduced new limitations, cutting down their production, including voluntarily.

At the OPEC+ summit in June 2023, the member states set the permitted oil production for 2024 at 40.46 million barrels per day. A resolution made in November 2023 introduced a voluntary production cut of 2.2 million barrels per day, on top of the previous quotes, in effect till April 2024.

Experts believe that in 2024, the supply of liquid hydrocarbons may reach 102.4 million barrels per day, 103.71 to 104.17 million barrels per day in 2025. The countries listed above will become the main drivers for this expected growth. Shale basins and offshore projects in the US will work to expand the supply. Therewith, the biggest production cuts are expected in Mexico and Angola.

OECD oil reserves, bn barrels

Source: Energy Information Administration (EIA) of the US Department of Energy

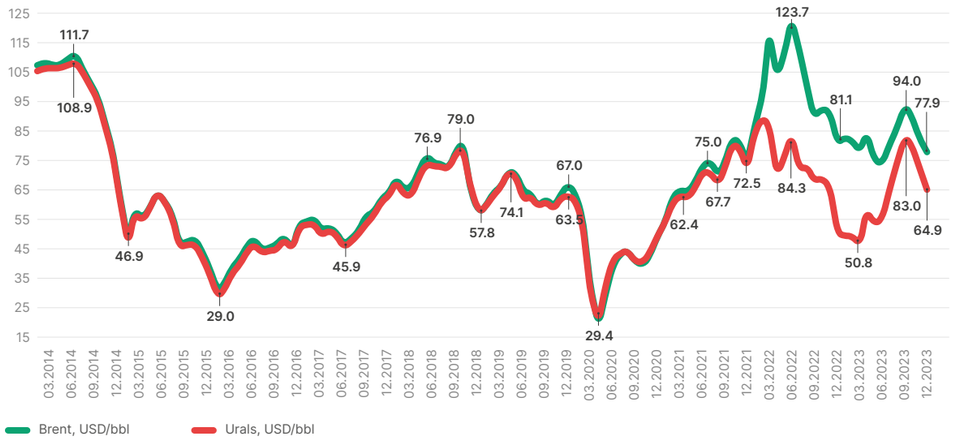
According to the US Department of Energy's Energy Information Administration (February 2024), a small over-supply (0.73 million barrels per day on average) has been recorded at the oil market throughout the reporting period. After an insignificant decline in Q1 2024, due to the OPEC+ countries adhering to their imposed restrictions, the market is expected to return to gradual reserve expansion at the rate of 0.3 million barrels per day until the end of 2025.

Throughout 2023, the Brent oil price was fluctuating between USD 71.7 and USD 97.9 per barrel. Despite the OPEC+ cuts and decisions made by some countries to further limit oil production and exports to buoy prices, the average monthly price for the benchmark crude oil was USD 82.6 per barrel, or 18.4% lower than in 2022, according to Platts. Slowing down global (and especially, Chinese) demand, base interest rate hikes that contained economic growth in the West, and growing fears of global recession were the pressure factors that kept the oil price down.

82,6 $/bbl

Monthly average cost
of the reference grade of oil

Price for Brent oil and estimated price for Urals oil (USD/bbl)



Source: Platts

When evaluating the feedstock quotes prospects for 2024, it is worth noting that, on the one hand, estimated Brent prices carry large spreads, and on the other hand, analysts from major investment banks and specialized information agencies are less optimistic, correcting their forecasts down and expecting an oversupply at the liquid hydrocarbon market. Experts assess the average Brent price in 2024 to be at USD 81.4 per barrel. In December 2023, their consensus forecast used to be USD 1.2 per barrel higher.

The average monthly price for Urals in 2023 was, as estimated by Platts, at USD 62.9 per barrel, with about USD 20 per barrel discount against the Brent benchmark. In 2023, the Urals spread continued to shrink; in October, it reached its minimum since March 2022: USD 9.7 per barrel. The causes of this positive dynamic were cuts in Russian production, declining sulfur crude supplies to the global market, and production cuts imposed by other OPEC+ countries. After the G7 countries tightened controls over the Urals price ceiling in October 2023, with the US imposing sanctions on marine companies shipping Russian oil at prices above USD 60 per barrel, the prices for the Russian crude started to decline again in December compared to its North Sea counterpart (the discount grew by USD 3.3 per barrel).

The Russian Ministry of Economic Development expects the prices for Russian oil to remain around USD 70 per barrel in 2024–2026.

Key Global Oil Market Drivers

The main factors that determine the prospects of the global market for liquid hydrocarbons, as well as significantly affect the balance of supply and demand in 2023–2024, are, fires and foremost:

- the shale production growth in the US (some industry experts believe that the production growth recorded in the US in 2023 was short-lived because it was brought in by increased pumping of wells drilled earlier while the number of operational drilling rigs was going down; Rystad Energy estimates that the current number of rigs is enough to keep production in the US from declining. According to the agency, the number of rigs in 2024 will grow by approximately 70–80, ensuring >0.4 million barrels per day (annual) of extra oil production. Therewith, the well drilling cost will start declining in 2024 after two years of sharp growth. That is related to the lack of maintenance service demand in late 2023);
- Growing Chinese demand (as the US Department of Energy's Energy Information Administration estimates, the oil demand in China will grow 2%, or 0.32 million barrels per day in 2024: more than 2 times lower of the 2023 value);
- Production changes brought in by OPEC+ agreement (to maintain balance at the liquid hydrocarbons market, OPEC+ countries agreed in November 2023 to further cut down production in Q1 2024 by a total of 2.2 million barrels per day; however, as regions not covered by the limitations are quickly increasing their production, OPEC+ can change its tactics, prioritizing keeping or expanding its market share and ensuring more flexible options for the alliance in the mid-term);
- Expectations of a softer monetary policy underpinned by slowing inflation rates (key rate reductions by leading central banks will boost GDP growth and reduce the risk of recession in major economies);
- Growing investments in extraction (Rystad Energy estimates the global oil&gas extraction investment in 2023 to pass the pre-pandemic level and reach about USD 578 billion. Despite capital investment declining compared to the 2010–2015 period, oil&gas business activity and oil production levels in the world remain comparatively stable: price drops during crises forced market actors to cut costs and maximize performance. In the coming few years, capital investment is expected to remain at the current level. Some oil companies (BP, Shell, Exxon Mobil, etc.) revised their strategies and are planning to increase investment in oil&gas projects with short ROI cycles));
- Growing supply from the non-OPEC+ regions (in addition to the US, the boosting oil production is also expected in Canada, Norway, Brazil, Guyana);
- Replenishment of the US oil reserves (the government is planning to buy over 3 million barrels in 2024 to top up strategic reserves (~180 million barrels) sold out in 2022 to stabilize domestic fuel prices);
- Geopolitical factors;
- Strengthening sanctions pressure on Russia (experts do not rule out the possibility that the Urals discount will increase in H1 2024, due to the US and the EU tightening the price ceiling controls).

Considering the foregoing, increased price volatility is expected in the oil market in 2024.

Oil Industry Events Expected in 2024:

- The ban on the sales of oil and oil products by Russian companies under contracts that provide, directly or indirectly, the price ceiling imposed by the US and several other countries will be extended till June 30, 2024.
- The return to the old oil&gas revenue calculation schemes that provide for the basic oil price at USD 60 per barrel (in 2023, under the budget rule, RUB 8 trillion was estimated as the target level for basic oil&gas industry revenues).
- Lowering the Urals discount against Brent (for oil MET rate calculation) to USD 15 per barrel in 2024 (to USD 10 per barrel in 2025 and USD 6 per barrel in 2026). Therewith, the regulating law provides for possible discount hikes up to USD 20 per barrel in some tax periods from January 1, 2024, to December 31, 2026 (both dates included) if the Russian Government so resolves (Federal Law 539-FZ dated 27.11.2023, amending Articles 342, 343, and 346.37 of the Russian Tax Code).
- Expanding and tightening sanctions already imposed on the Russian fuel and energy sector. Western countries (the US, the UK, the EU) tightening price ceiling controls starting from the end of the last year can cause temporary increases in the Urals discount against Brent early in 2024 (due to rising freight and insurance costs for the Russian crude).

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CORPORATE GOVERNANCE

CORPORATE GOVERNANCE SYSTEM

The Company has a corporate governance system in order to make strategically reasonable decisions, ensure effective asset management, high operational and financial performance, and increase investment attractiveness and strengthen competitiveness.

The corporate governance in the Company aims to ensure the legitimate rights and interests of shareholders and other stakeholders, efficient asset management and increase of share capital, growth of capitalization and dividend yield, maintenance of long-term economic growth based on effective management of corporate resources and risk control.

The Company maintains a clear division of powers and delineation of responsibilities of the governance and executive bodies, assesses the performance of their functions and duties, conducts effective risk management and internal control mechanisms, prevents corporate conflicts, counteracts corruption and corporate fraud, and respects the fundamental principles of human rights and ethical standards. The management of risks and opportunities pertaining to climate change includes both goal setting and monitoring by the Board of Directors, as well as assigning responsibility to the senior officers of the Company and TATNEFT Group enterprises for the fulfillment of tasks.

The Company follows the recommendations of the Bank of Russia's Corporate Governance Code and the G20/OECD Principles of Corporate Governance, and also gives due regard to the international and national standards and guidance documents regulating various aspects of corporate governance.

The Company sees much potential for combining the efforts of all participants in the Global Compact to integrate corporate experience and actions in achieving the Sustainable Development Goals, which improves the corporate practice effectiveness in general.

Improving information openness is an important factor in business sustainability. As a publicly traded company, TATNEFT acknowledges its responsibility to all stakeholders and is committed to providing as much information as possible about its business operations, financial results, and socially significant information, including the implementation of the Sustainable Development Goals. Targeted programs are implemented based on an open dialogue with the local community and stakeholders, which improves the targeting of the Company's initiatives and decision-making transparency.

Planning of financial and operational targets is integrated into a unified corporate governance system of the Group under the Development Strategy and key decisions made by the Board of Directors with considerations to sustainable development aspects. The authority to implement the production plans, economic, environmental, and social goals and objectives is delegated to the Company's management with overseeing the efficiency and motivation mechanisms based on the KPI system at the level of the Board of Directors and its Committees, the Management Board, and the General Director.

The management of the sustainable development pillars is based upon the Company's actions aligned with the UN fundamental principles and Sustainable Development Goals, global trends in sustainable development, and national and regional development priorities.

The Company has historically adhered to the principles of high corporate responsibility and alignment of corporate interests with the UN Global Compact Agenda for Sustainable Development. When making business decisions, the following are taken into account:

- fundamental human rights and ethical principles
- preservation of a friendly environment
- carbon footprint reduction challenges
- social infrastructure improvement
- expansion of innovative capabilities
- improvement of life quality in the territories of presence

Management of TATNEFT Group

GRI 2–9

PJSC TATNEFT is the corporate center of the Group coordinating the activities of the enterprises that form the Company's business lines and business segments.

The current version of Regulations on TATNEFT Group determines the basic principles of corporate governance, perimeter, and structure of TATNEFT Group, goals and objectives, as well as management methods of TATNEFT Group. Depending on the targeting, TATNEFT Group has a different configuration and perimeter of controlled and related entities.

PJSC TATNEFT strengthens its mechanisms for the efficient interaction with the TATNEFT Group controlled companies, including the oversight of significant corporate actions in the controlled entities. The Regulations on the Procedure for Corporate Interaction of PJSC TATNEFT named after V.D. Shashin with Controlled and Related Entities define the powers and procedure for the representatives of PJSC TATNEFT in legal relations with controlled and related entities.

In order to ensure uniform principles of corporate governance and transparency of the TATNEFT Group activities, the Company also operates a corporate information platform for managing controlled companies, which allows the use of uniform corporate standards in TATNEFT Group, promptly provide guidance for corporate events in controlled companies and exercise control over their financial and business activities.

Improving Corporate Governance Practices

The Company makes every effort to comply with corporate governance standards, which are critical to achieving high levels of efficiency and ensuring the sustainability of the business, and which also serve as the basis for socially responsible management of the Company's operations.

The Company is constantly improving its internal corporate governance standards, ensuring that the same comply with the applicable legislation of the Russian Federation and taking into account the trends of the best international and domestic corporate governance practices.

While improving the practice of sustainable development, the Company's governance bodies considered significant issues, discussed the most complex problems and approved key documents in the reporting year.

CORPORATE PRACTICES

- a new independent director has been elected with expertise in accounting and auditing of financial and business activities, internal control systems, and risk management
- the number of shareholders during the reporting year increased by more than 200,000, which indicates the optimal dividend policy followed by the Company

STRATEGIC DEVELOPMENT

- ya strategic option for the development and sustainability of a project portfolio has been approved
- Mission and Vision of TATNEFT Group have been updated
- IT strategy for the period 2023-2025 has been approved

THE ISSUES REVIEWED

- on the implementation of the logistics support and logistics services development strategy
- on the implementation of the renewable energy development strategy
- on the integration of oil service assets
- on the implementation status of petrochemical projects
- on the directions of the scientific and educational cluster development
- on the processes of achieving sovereignty in technology

NON-FINANCIAL ASPECTS

- a report on the results of work in reducing the carbon footprint has been reviewed
- the Company's cultural code has been introduced and transmitted
- the implementation of measures to popularize sustainable development goals among a wide range of stakeholders has been considered
- plans for the development of the Composite Materials business area have been considered
- a comprehensive supplier ESG assessment system is being developed and implemented
- the results of the implementation of the Mentoring program have been considered
- issues of the project implementation status to achieve individual tasks within the SDGs

DOCUMENTS

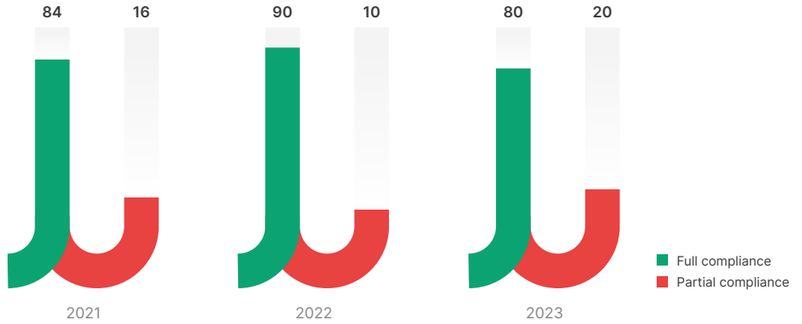
- Articles of Association of PJSC TATNEFT named after V.D. Shashin
- Regulations on the Board of Directors
- Human Rights Policy (introduced for the first time)
- Regulations on the Procedure for Corporate Interaction with Controlled and Related Entities (approved as amended and restated)

Compliance of the Company's Corporate Practices with the Guidance of the Bank of Russia Corporate Governance Code

The results of the assessment of the Company's compliance with the recommendations of the Corporate Governance Code of the Bank of Russia, including substantive explanations on the 'Comply or Explain' principle on partial compliance with some of the recommendations, are presented in Appendix 1 to the Annual Report.

The decrease in the level of compliance with corporate practices in the reporting year was affected by the restriction of disclosure of personal information about members of the Company's management bodies due to the introduction of restrictive measures by unfriendly countries in relation to the Company and some members of the management bodies.

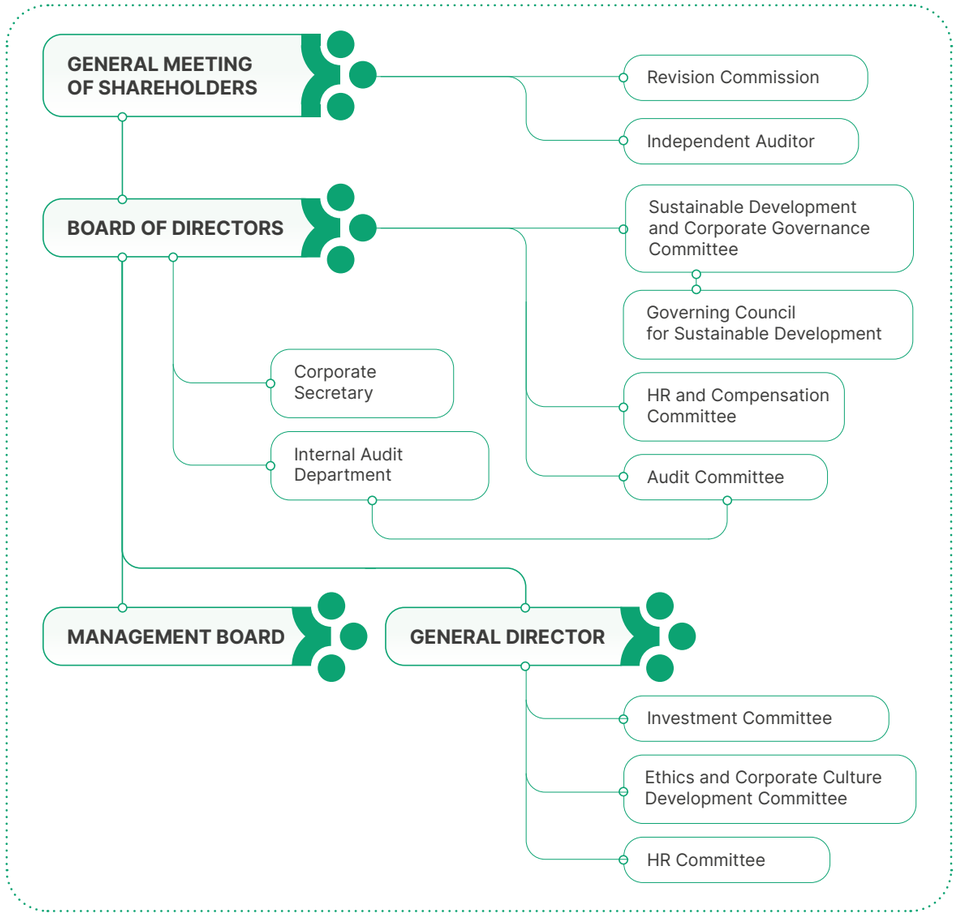
Compliance, %



STRUCTURE OF GOVERNANCE AND OVERSEEING BODIES

GRI 2–9

The Company's corporate governance system is built on international standards of corporate conduct and business ethics, the requirements of Russian legislation, the requirements of the listing rules of PJSC Moscow Exchange, and the principles of the Corporate Governance Code recommended for application by the Bank of Russia.



GENERAL MEETING OF SHAREHOLDERS

The General Meeting is the supreme governance body and resolves on the main issues of the Company's activities. The procedure for preparing, convening, conducting and summarizing the results of the General Meeting of Shareholders of the Company is determined by the applicable Russian laws and Regulations on the General Meeting of Shareholders of PJSC TATNEFT named after V.D. Shashin.

During the preparation for and holding the General Meeting, both in presentia and in absentia, the Company's shareholders may freely and timely receive information about the meeting and its materials, pose questions to members of the company's executive bodies and the Board of Directors, and communicate.

Shareholders are given the opportunity to participate in the General Meeting by electronic voting on the E-Voting platform, which allows all shareholders to vote remotely by filling out an electronic ballot form on the Company's Internet website. It significantly increases the ability of minority shareholders of the Company to participate and get familiarized with the agenda and materials for the General Meeting of Shareholders.

The Company provides its shareholders with any available means of communication such as hotline and e-mail options, making it possible for the shareholders to ask questions about their share ownership, dividend payout procedure, etc., as well as express opinions and send questions about the agenda during the preparations for the General Meeting of Shareholders.

39% of the Company's shareholders participating in General Meetings vote through the E-Voting system.

General Meetings of Shareholders Held in 2023

Type of meeting: Annual General Meeting of Shareholders **Format of the meeting:** absentee voting* **Meeting date:** June 16, 2023	The Annual General Meeting of Shareholders was declared invalid due to the absence of a quorum for the meeting.
Type of meeting: reconvened Annual General Meeting of Shareholders **Format of the meeting:** absentee voting* **Meeting date:** June 30, 2023	At the reconvened Annual General Meeting of Shareholders, resolutions were adopted on the distribution of profits, including the payment of dividends, the election of new members of the Board of Directors and the Revision Commission, the approval of the Company's audit organization, the annual accounting (financial) statements and the annual report of the Company, the approval in the restated Articles of Association and Regulations on the Board of Directors of the Public Joint Stock Company TATNEFT named after V.D. Shashin.
Type of meeting: Extraordinary General Meeting of Shareholders **Format of the meeting:** absentee voting **Meeting date:** September 21, 2023	The Extraordinary General Meeting of Shareholders was declared invalid due to the absence of a quorum for the meeting.
Type of meeting: reconvened Extraordinary General Meeting of Shareholders **Format of the meeting:** absentee voting **Meeting date:** September 28, 2023	The reconvened Extraordinary General Meeting of Shareholders resolved to pay dividends based on the business results for the 6 months of 2023.
Type of meeting: Extraordinary General Meeting of Shareholders **Format of the meeting:** absentee voting **Meeting date:** December 22, 2023	The Extraordinary General Meeting of Shareholders was declared invalid due to the absence of a quorum for the meeting.
Type of meeting: reconvened Extraordinary General Meeting of Shareholders **Format of the meeting:** absentee voting **Meeting date:** December 28, 2023	The reconvened Extraordinary General Meeting of Shareholders resolved to pay dividends based on the business results for the 9 months of 2023.

All resolutions adopted by the General Meeting of Shareholders in 2023 have been implemented.

* (pursuant to Federal Law No. 25-FZ "On Amendments to the Federal Law on Joint Stock Companies and on Suspension of Certain Provisions of Legislative Acts of the Russian Federation" dated 25.02.2022)

BOARD OF DIRECTORS

GRI 2–12, 2–16

The general governance of the Company is provided by the Board of Directors. The membership procedure, status, structure, functions, goals, and objectives, competencies, powers of the Board of Directors, the work procedures, and engagement with other governance bodies of the Company are determined by the Articles of Association and the Regulations on the Board of Directors of PJSC TATNEFT named after V.D. Shashin, and distinguished from the competences of the executive bodies of the Company, which govern its current activities.

Powers of the Board of Directors:

- определяет приоритетные направления determines priority areas and development strategy for main activities, including long-term and medium-term plans and development programs, approves main business goals and monitors the achievement of the Company's strategic objectives.
- is responsible for managing the Company's key risks that affect the achievement of its strategic goals, determines the basic principles and approaches to organizing the internal control and risk management system
- appoints and dismisses members of executive bodies, monitors the implementation of the development strategy by executive bodies and achievement of main goals in areas of activity
- determines the Company's policy on remuneration of members of the Board of Directors, executive bodies and key management personnel
- determines the Company's information policy, ensures an appropriate level of transparency of activities, timely, complete and reliable disclosure of information, and easy access for shareholders to Company documents
- determines the Company's policy on resolving conflicts of interest, including prevention, identification and resolution of internal conflicts between executive bodies, shareholders and employees
- determines the directions for developing the corporate governance system and monitors its implementation, determines the Company's actions when implementing significant corporate actions.

Formation of the Board of Directors and its Committees

GRI 2–10

The Board of Directors consists of 15 directors, of which 14 are elected by the General Meeting of Shareholders through cumulative voting and one is appointed by the Government of the Republic of Tatarstan under the 'golden share' special right (Law of the Republic of Tatarstan No. 43-ZRT "On the Privatization of State Property of the Republic of Tatarstan" dated 26.07.2004, Clause 8.3 of the Articles of Association of the Company).

On June 30, 2023, the General Meeting of Shareholders elected the Board of Directors of PJSC TATNEFT from candidates with sufficient professional experience in strategic management, the necessary level of knowledge and skills, as well as personal qualities to make balanced and unbiased decisions for the Company's growth.

When forming the Board of Directors and its committees, criteria and factors of professional skills and expertise of candidates are considered, including those in economic, environmental, and social areas, as well as their independence. Following best corporate practices, the formation of the Board of Directors considers such factors as the national and gender diversity.

Continuity of the Board of Directors

In order to form and maintain an optimal and balanced composition of the Board of Directors, the Company ensures the continuity of the Board of Directors, which takes into account the needs of the Company when new members are introduced to its composition. The rotation of directors is carried out consistently and in stages. The Company does not allow changing of more than half of the Board of Directors at a time.

First-time elected members of the Board of Directors as soon as practicable get to know documents and materials pertaining to the Company's activities, including the Company's strategy, corporate governance system, risk management, internal control system, distribution of duties and responsibilities between the executive bodies and other essential information related to the Company's activities. New members of the Board of Directors are always provided with explanations on compliance with the confidentiality rules and protection of insider information.

When approving the strategy, the Board of Directors takes into account the principles of sustainable development, which includes achieving goals related to climate, environmental and industrial safety, social policy, and human resource management.

Chairman of the Board of Directors

GRI 2–11

The Chairman of the Board of Directors plays a key role in ensuring that the Board of Directors and its committees work effectively and efficiently. The activity of the Chairman is focused on creating a constructive atmosphere for holding meetings, free discussion of issues considered to develop the most thoughtful and practical decisions.

The Chairman of the Board of Directors is a non-executive director. The Chairman of the Board of Directors is not a member of any of the committees. The Board of Directors elects the Chairman from among its members by a majority vote. And the Chairman carries out its duties under the Company's Articles of Association, the Regulations on the Board of Directors of PJSC TATNEFT named after V.D. Shashin, and the Corporate Governance Code.

Enhancing the ESG Professional Expertise of the Board Members

GRI 2–17

Members of the Board of Directors use best endeavors to improve their professional experience in the economic, environmental, and social spheres of the Company's activities, in the context of the implementation of the Sustainable Development Goals of the UN Global Compact and the Paris Agreement signed under the UN Framework Convention on Climate Change, which has regulated measures to reduce carbon dioxide in the atmosphere.

To ensure effective communication to the Board of Directors, the Company uses modern information and technical resources and channels, including specialized software in Russian and English.

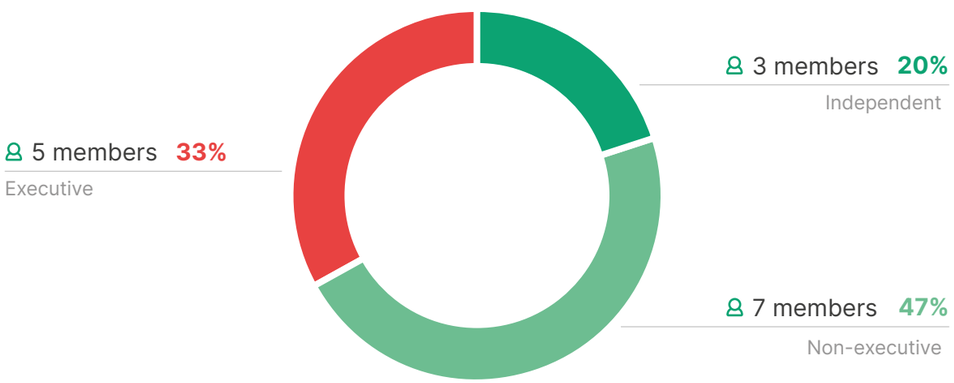
The Company's governance bodies systematically receive a digest with an overview of information on economics, politics, ESG aspects, oil and related industries.

Balanced Composition of the Board of Directors

GRI 2–9

The Board of Directors' composition is well balanced in terms of membership of independent, non-executive, and executive Directors. The Company believes that three independent directors and seven non-executive directors in the Board of Directors maintain a balance between the interests of various groups of shareholders, facilitating objectivity in decision-making and inspiring investors, shareholders, and other stakeholders with high confidence in the Company. The participation of five executive directors ensures a deep integration of the Board of Directors and executive bodies. According to the Company, three independent directors are sufficient to significantly influence the decision-making process and ensure objectivity when considering agenda items. The independence of the judgments of such directors increases the efficiency of the Board of Directors, as well as contributes to the improvement of the Company's corporate governance system.

Composition of the Board of Directors



All members of the Board of Directors have significant work experience in the Company, high professional reputations and knowledge, which have a strong positive impact on consistent and balanced decision-making. The current composition of the Company's Board of Directors is sufficiently diversified and balanced.

Independent Directors

Participation of independent directors with advanced professional backgrounds in the discussion of the issues considered by the Board of Directors, including those within the scope of the Board of Directors Committees and interaction with the management, has a very positive effect on the work of the Board of Directors and the corporate governance development.

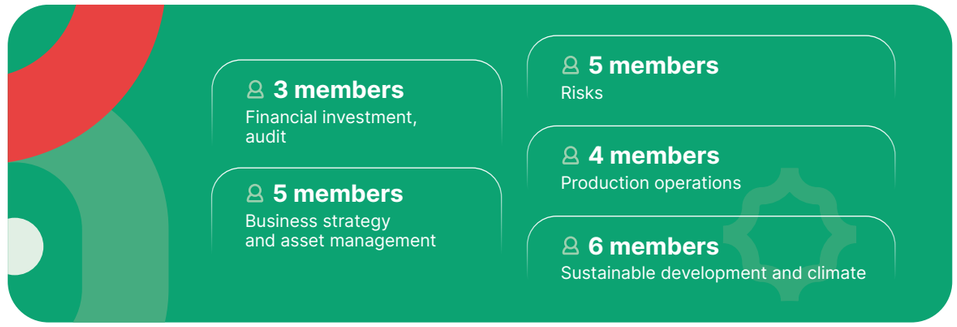
In 2023, the independent directors made a strong focus upon the Company's risk management and internal control system implementation of the Sustainable Development Goals in conjunction with the tasks of combating climate change, responsible consumption and other issues.

The Board of Directors has appointed a director, who is an independent member of the Board of Directors, responsible for issues related to climate change, who has relevant competencies in this field, exercises supervision and interacts with the Company's management in discussing actions and plans to reduce the carbon footprint.

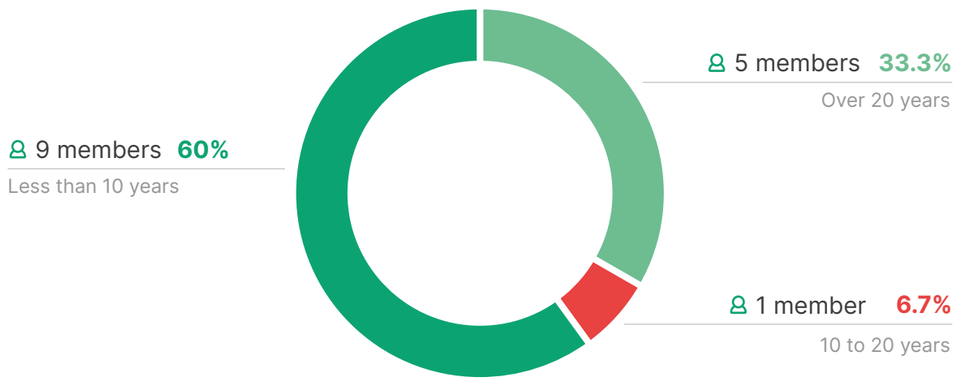
In 2023, based on a reasoned decision of the Board of Directors, two independent directors were recognized as independent, despite formal criteria for their connection with the Company, since the Board of Directors believes that many years of expertise, high professionalism, and impeccable reputation of independent directors allow them to make objective decisions, independent from the influence of any other persons, fully meeting the interests of the Company and its shareholders.

In 2023, the composition of independent members of the Board of Directors was updated, as a result of which one new independent member of the Board of Directors was elected with expertise in accounting and auditing of financial and business activities, internal control systems, and risk management.

Key Specialization of Board of Directors members



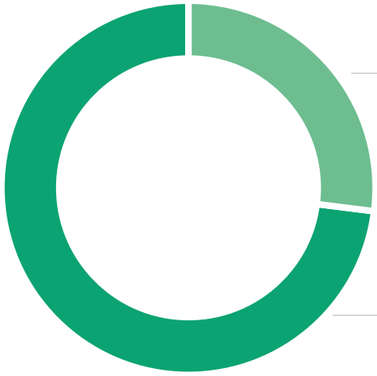
Duration of service*



* The duration of service on the Board of Directors is determined by the period of time from the date of the Annual General Meeting of Shareholders to the date of the next Annual General Meeting of Shareholders (corporate year)

GRI 405-1

Age composition



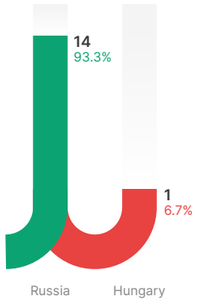
4 people **27%**

30 to 50 y.o.

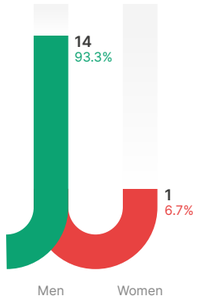
11 people **73%**

over 50 y.o.

Geographical affiliation, people



Gender composition, people



Activities of the Board of Directors

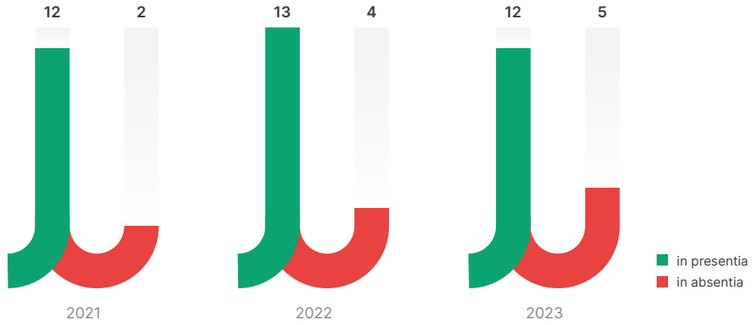
GRI 2–12

In order to ensure the effective work of the Board of Directors, the Company provides information and technical resources with a secure communication channel for the delivery of materials on the agenda of meetings, ensures the holding of meetings in the format of videoconferences and implements procedures for informing the Board of Directors, inter alia, on critical issues, where such arise.

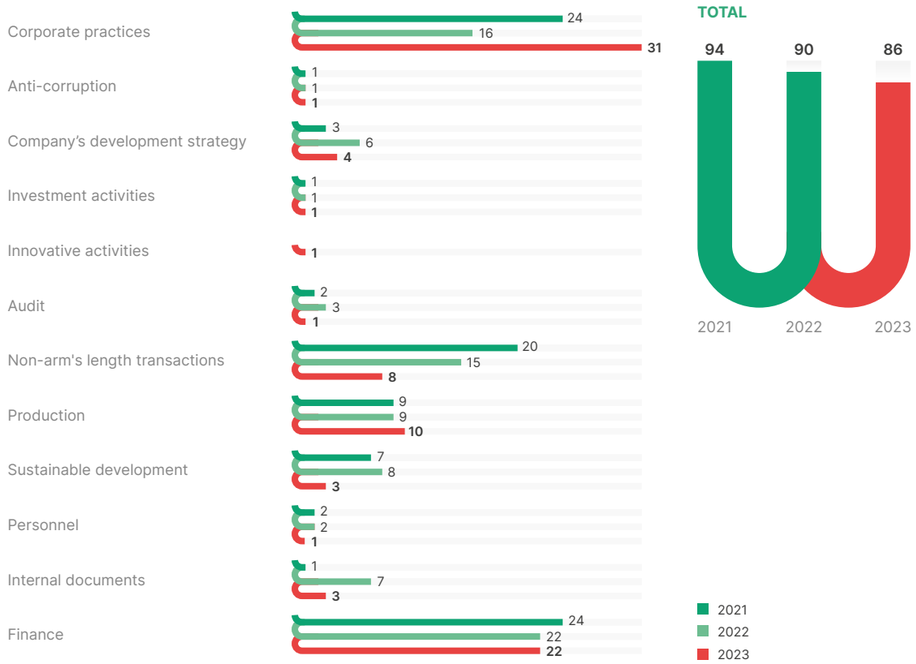
The Board of Directors carries out its activities based on an approved work plan with an agenda of issues for each half-year. The plan of issues under consideration is drafted based on the proposals of members of the Board of Directors, executive bodies, and top managers.

Meetings of the Board of Directors are held in presentia and in absentia in accordance with the approved plan, as well as when necessary, however at least once a month.

Number of meetings



Structure of issues



Resolutions of the Board of Directors are available on the Company's website: tatneft.ru

Board of Directors and Committees' Performance Assessment

GRI 2–18

In order to determine the degree of performance of the Board of Directors, its Committees and each of the members of the Board of Directors, whether their work meets the needs of the Company, and identification of areas in which their activities may be improved, the Company has adopted an assessment practice. The assessment is performed on a regular basis, at least once a year, in the form of self-assessment, and through external assessment at least once every three years. In 2022, an external assessment of the Board of Directors was performed with the participation of an independent consultant Non-Profit Partnership Russian Institute of Directors (hereinafter referred to as "RID").

Self-assessment in 2023 and 2024 was performed in the form of self-assessment based on RID recommendations. The developed questionnaire included 50 questions across 6 key groups to evaluate the Board of Directors and 15 questions to evaluate the Committees. Filling out the questionnaire is subject to the principle of confidentiality.

Assessment results

Criterion	Average external assessment score in 2022	Average self-assessment score in 2023	Average self-assessment score in 2024
Fulfillment by the Board of Directors of its key functions	4.6	4.8	4.8
Composition and structure of the Board of Directors	4.5	4.6	4,.8
Organization of work of the Board of Directors	4.7	4.8	4.8
Interaction of the Board of Directors with its Committees	4.6	4.7	4.7
Chairman of the Board of Directors	4.9	5	5.0
Corporate Secretary	4.7	4.9	4.8

The self-assessment results and its analysis were reviewed at an in-person meeting of the Board of Directors (Minutes No. 12 dated 23.04.2024).

Based on the results of the self-assessment, the experts concluded that the Board of Directors is properly involved in the strategic management of the Company, and separately noted the high level of immersion in sustainable development issues, in particular, the climate agenda. The Company complies with the requirements of Russian legislation in the field of corporate governance and follows almost all recommendations of the Russian Corporate Governance Code. The Company adheres to established practice on certain principles that are not mandatory, based on the interests of the Company and its shareholders. The Company also complies with a significant number of additional recommendations of international best practices in corporate governance.

When filling out the questionnaires, members of the Board of Directors provided comments on further improvement of the mechanisms of work of the Board of Directors and the development of corporate governance practices.

Participation of Members of the Board of Directors in Meetings

Director	Board of Directors	Audit Committee	HR and Remuneration Committee	Sustainable Development and Corporate Governance Committee
Director 1	16/17	-	-	-
Director 2	16/17	6/6	-	-
Director 3	16/17	-	-	-
Director 4	17/17	6/6	4/4	5/5
Director 5	16/17	-	-	5/5
Director 6	17/17	6/6	4/4	4/5
Retired Director*	1/8	1/6	0/4	-
Director 7	16/17	-	-	5/5
Director 8	17/17	-	-	-
Director 9**	9/9	4/6	2/4	-
Director 10	16/17	-	-	-
Director 11	17/17	-	-	-
Director 12	17/17	-	-	4/5
Director 13	16/17	-	-	-
Director 14	16/17	-	-	-
Director 15	15/17	-	-	-

* on the basis of the application is considered a retired Member of the Board of Directors since 21.02.2023

** elected to the Board of Directors from 30.06.2023.

COMMITTEES OF THE BOARD OF DIRECTORS

GRI 2–9, 2–12, 2–16

In order to improve the effectiveness and efficiency of the decisions taken by the Board of Directors, the Board of Directors operates three committees in the Company, which preliminary review the most important issues on the agenda of the Board of Directors and prepare appropriate recommendations within their competence.

The committees are fully accountable to the Board of Directors in their activities. The members of the committees are approved by the Board of Directors of PJSC TATNEFT, taking into account the relevant knowledge and skills, and professional background of each candidate member of the committee. The Company provides the Board of Directors with the details of each candidate's background, expertise, knowledge, and skills for a particular committee.

Composition of the Committees

4 persons
Audit Committee

3 persons
HR and Remuneration Committee

6 persons
Sustainable Development and Corporate Governance Committee

AUDIT COMMITTEE

The Audit Committee assists the Board of Directors in considering the following issues:

- control over the completeness, accuracy and reliability of accounting (financial) statements, including analysis of material aspects of accounting policies
- control over the reliability of the risk management and internal control system and assessing the effectiveness of its procedures
- control of procedures regulating conflicts of interest and ensuring compliance with legislation, internal documents, and ethical standards
- control of the effectiveness of the system for preventing unfair actions of employees and third parties and overseeing the conduct of special investigations into cases of unfair actions
- ensuring independence, objectivity, assessing the effectiveness of the internal audit function and forming policies in the field of internal audit
- overseeing external audits, assessing audit quality and ensuring effective communication between internal and external auditors
- assessing the independence and no conflict of interest of the external auditor, developing proposals for the appointment of an auditor and payment for its services

The goals and objectives, the competence of the Audit Committee, as well as the procedure for interaction with the Board of Directors and executive bodies of the Company are defined by the Regulations on the Audit Committee of the Board of Directors of PJSC TATNEFT named after V.D. Shashin.

Composition of the Committee

The Audit Committee of the Board of Directors of PJSC TATNEFT consists of four directors, three of whom are independent directors. Chairman of the Committee has relevant knowledge and skills in preparing, analyzing, assessing, and auditing financial statements.

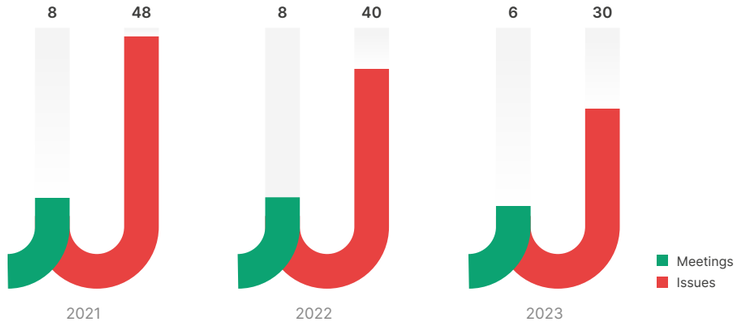
In addition to independent directors, the Audit Committee includes one non-executive director with financial and audit expertise beneficial for the activities of the Committee.

Changes in the Committee membership:

- Since February 2023, due to the retirement of one of the members, the Committee has worked consisting of three people. In June 2023, the composition of the Committee was formed from independent and non-executive directors of the newly elected Board of Directors (Minutes of the Board of Directors No. 2 dated 30.06.2023).

Committee's Activities

Number of meetings and issues



Structure of issues

HR AND REMUNERATION COMMITTEE

The Committee assists the Board of Directors and forms recommendations on issues related to:

- oversight of the implementation of personnel policy, taking into account ensuring continuity
- formation of qualified management team
- assessment of the professional composition and performance of the Board of Directors and key management personnel
- formation of effective and transparent remuneration practices, including strengthening motivation mechanisms
- involvement of qualified specialists and provision of the necessary incentives for their effective work
- development of corporate culture, including aspects of fundamental human rights and freedoms

The goals and objectives, the competence of the HR and Remuneration Committee, as well as the procedure for interaction with the Board of Directors and executive bodies of the Company are defined by the Regulations on the HR and Remuneration Committee of the Board of Directors of PJSC TATNEFT named after V.D. Shashin.

The tasks of the Nominations Committee are combined with the functions of the HR and Remuneration Committee.

Composition of the Committee

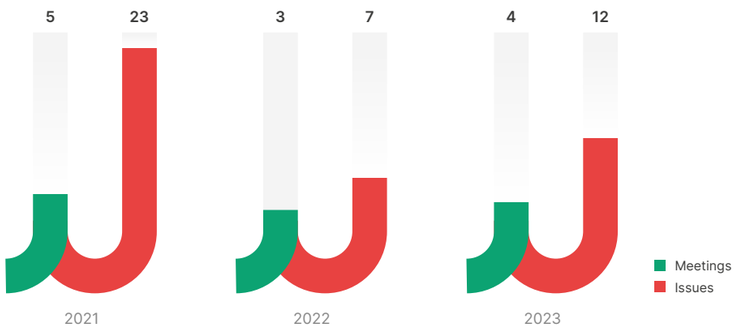
The HR and Remuneration Committee of the Board of Directors of PJSC TATNEFT includes three independent directors. All members of the Committee have the appropriate knowledge and skills in solving the Committee's tasks.

Changes in the Committee membership:

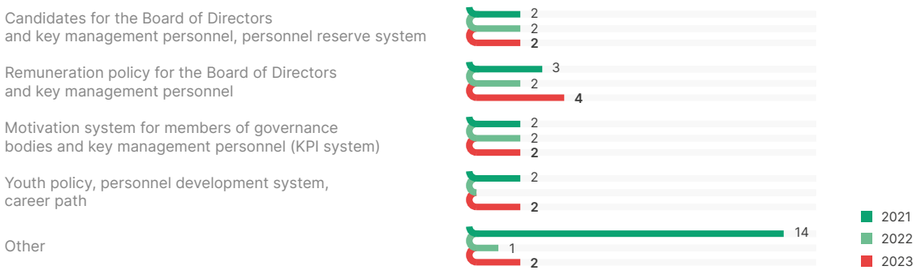
- Since February 2023, due to the retirement of one of the members, the Committee has worked consisting of two people. In June 2023, the composition of the Committee was formed from independent directors of the newly elected Board of Directors (Minutes of the Board of Directors No. 2 dated 30.06.2023).

Committee's Activities

Number of meetings and issues



Structure of issues



SUSTAINABLE DEVELOPMENT AND CORPORATE GOVERNANCE COMMITTEE

GRI 2–12

The Committee assists the Board of Directors in considering the following issues:

- achieving the goals of sustainable development of the UN Global Compact
- assistance in the formation of the ideology of corporate social responsibility, respect for human rights, environmental safety and conservation of climate, energy efficiency and rational use of natural resources
- ensuring high-quality and effective corporate governance for the stability and long-term development, increasing the investment attractiveness and confidence on the part of shareholders and investors
- regulation of relations between shareholders, the Board of Directors and executive bodies, as well as the issues of interaction with legal entities controlled and other stakeholders
- assessment of the corporate governance system, development of a methodology for assessing the corporate governance system and the formation of recommendations on the measures necessary to improve the corporate governance practice

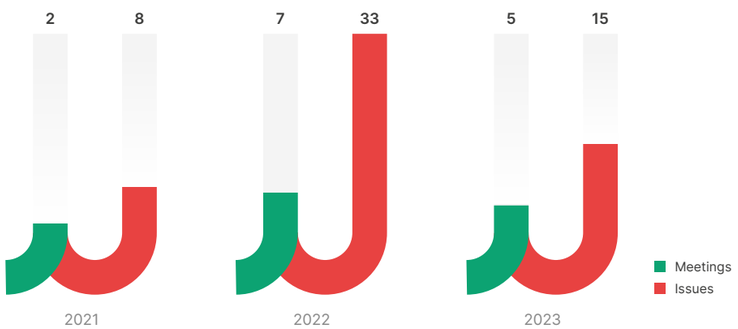
The goals and objectives, competencies of the Sustainable Development and Corporate Governance Committee, as well as the procedure for interaction with the Board of Directors and executive bodies of the Company are defined by the Regulations on the Sustainable Development and Corporate Governance Committee of the Board of Directors of PJSC TATNEFT named after V.D. Shashin.

Composition of the Committee

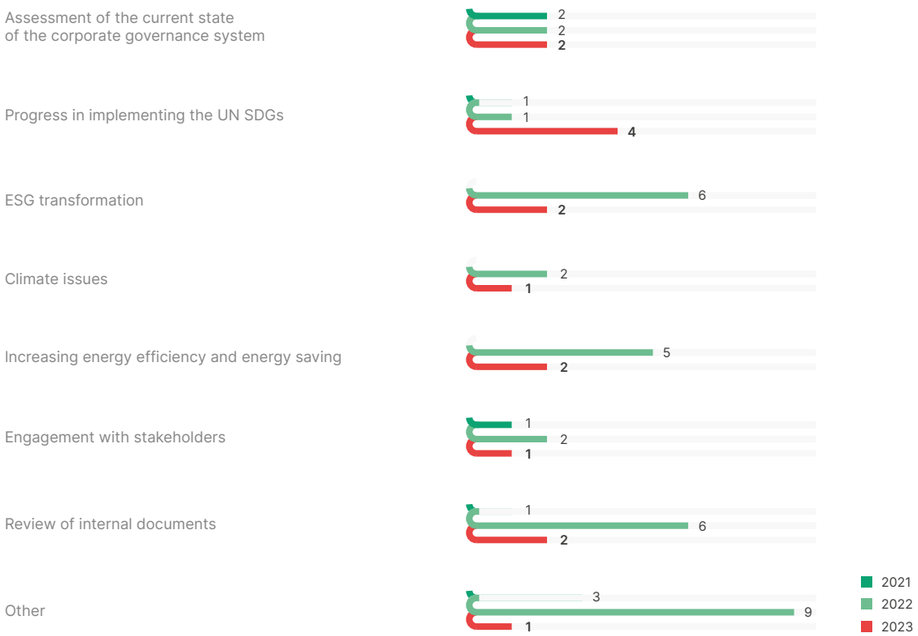
The Sustainable Development and Corporate Governance Committee consists of six people from among the members of the Board of Directors and key top managers of the Company. All members of the Committee have relevant knowledge, competencies and expertise in corporate law and human rights issues, requirements of stock market regulators, socially responsible investing, and sustainable development issues.

Committee's Activities

Number of meetings and issues



Structure of issues



Corporate Secretary

The Corporate Secretary ensures prompt interaction of members of the Board of Directors with the shareholders and their representatives, with the executive bodies, managers and employees of the units, coordination of the Company's actions to protect the rights and interests of shareholders, keeping minutes of meetings of the Board of Directors, assisting members of the Board of Directors in obtaining the necessary information.

The Corporate Secretary is sufficiently independent of the executive bodies and is vested with powers and resources required to perform his/her tasks. The Corporate Secretary reports to the Board of Directors, is appointed and dismissed by the General Director based on the decision of the Board of Directors. The activities are governed by the Regulations on the Corporate Secretary of PJSC TATNEFT named after V.D. Shashin.

Damir Maratovich Gamirov

Corporate Secretary – Head of the Corporate Secretary's Office of PJSC TATNEFT
Chairman of the Insider Information Committee
Member of National Corporate Secretaries Association (NCSA)

Graduation year	Education
2003	Ufa State Petroleum Technical University with a degree in Economics and Management at Oil and Gas Industry Enterprises and a qualification of the Economist Manager
2023	professional MBA retraining, Corporate University of PJSC TATNEFT named after V.D. Shashin

Period	Career
2003 – 2017	Economist at the Securities Section of the Property Management Department of PJSC TATNEFT
2017 – 2021	Deputy Head of the Corporate Secretary's Office of PJSC TATNEFT
2021 – present	Corporate Secretary – Head of the Corporate Secretary's Office of PJSC TATNEFT

Interest in the authorized capital of the Company, % – 0.000086
Holding of ordinary shares of the Company, % – none

EXECUTIVE BODIES

GRI 2–9, 2–13

Sole Executive Body

The General Director is appointed by the Company's Board of Directors and reports to the Company's Board of Directors and the General Meeting of Shareholders. In his activities, the General Director is guided by the legislation of the Russian Federation, the Articles of Association, the Regulations on the General Director of PJSC TATNEFT named after V.D. Shashin, as well as decisions of the General Meeting of Shareholders and the Board of Directors.

The General Director is in charge of the Company's day-to-day operations, determines the Company's organizational structure, oversees the soundness of the Company's assets and their practical use, addresses corporate matters related to the management of the Company's business structure, the health, safety, and environmental protection, the development of human resources and social guarantees for employees, as well as the sustainable development and corporate responsibility.

Resolution of individual issues is delegated to heads of business areas and deputy general directors. The distribution of responsibilities is determined by the Company's internal documents.

Heads of business areas and deputy general directors manage the work and bear responsibility for the implementation and fulfilment of strategic goals, production, financial and economic indicators, sustainable development goals, efficient and rational use of resources, organization of production and labor, occupational health and safety, according to relevant directions of the Company's activities.

Collegiate Executive Body

Management Board

The Management Board is in charge of the day-to-day management of the Company, coordinating and monitoring its effective work, ensuring the implementation of decisions of the Shareholders' Meeting and the Board of Directors.

The powers of the Management Board extend to a wide range of matters, including the long-term and short-term business development program, as well as the economic, financial and investment activities of the Company.

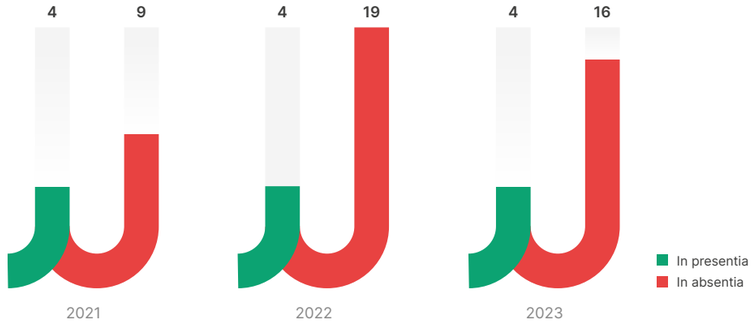
The procedure for forming the composition of the Management Board, the rights, duties and responsibilities of Management Board members, the Management Board's code of conduct are stipulated by the Regulations on the Management Board of PJSC TATNEFT named after V.D. Shashin. Contracts entered into on behalf of the Company by the Chairman of the Board of Directors with each member of the Management Board also determine the rights and duties of the Management Board members.

The Management Board consists of four senior managers of the Company who have the necessary professional background and managerial experience in the Company's activities. The Board of Directors determines the composition of Management Board members.

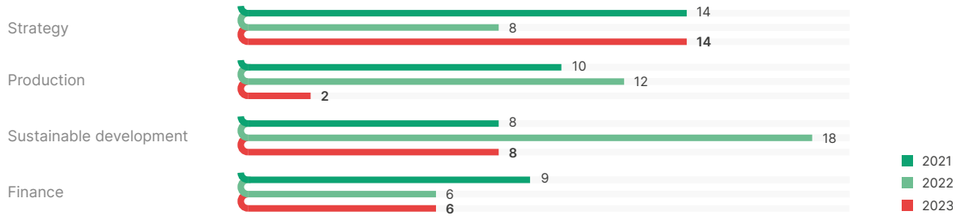
The Management Board meetings are held in accordance with the work plan thereof.

There were no changes in the composition of the Management Board during the corporate year.

Meetings



Structure of issues



MOTIVATION SYSTEM FOR MEMBERS OF GOVERNANCE BODIES AND MANAGEMENT OF THE COMPANY

GRI 2–19, 2–20

The Board of Directors sets the Company's policy on remuneration and reimbursement of costs (compensations) to the members of the Board of Directors, members of its executive bodies, and other key managers of the Company.

Remuneration of members of the executive bodies and other key managers is determined in such a way as to provide a reasonable and justified ratio between the fixed part of the remuneration and the variable part of the remuneration, which depends on the performance results of the Company and the personal (individual) employee's contribution to the final result.

The Remuneration Committee consisting of independent directors and headed by an independent director who is not the Chairman of the Board of Directors has been set up for preliminary review of issues pertaining to establishing effective and transparent remuneration practices.

When forming a remuneration system and determining the specific amount of remuneration to the members of the Company's governance bodies, it is assumed that the amount of the remuneration paid should be sufficient to engage, motivate and retain persons with the relevant professional background, knowledge, and skills required for the Company.

The remuneration system is built upon the principles and guidelines of the Corporate Governance Code in alignment with the Company's current practice of remuneration and compensation accrual.

Management Personnel Remuneration System

The management personnel remuneration system is formed taking into account the strategic goals of the Company 2030 and is realized according to uniform corporate principles enshrined in the Standard for the formation and assessment of key performance indicators for remuneration purposes at the end of the year:

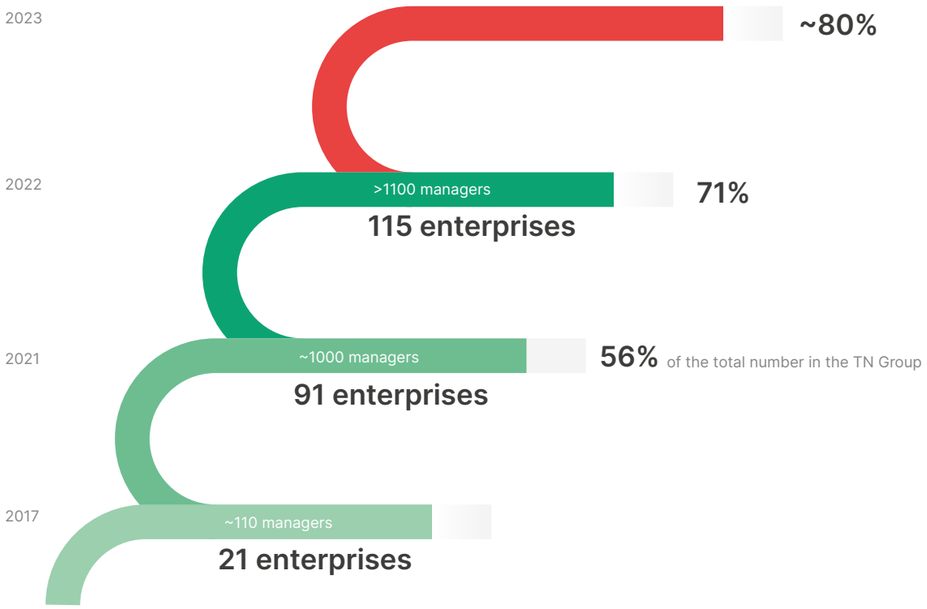
- decomposition of strategic goals in the context of creating additional value;
- ambitiousness of target values, ensuring high results;
- specificity, measurability and relevance of indicators;
- evaluation of indicators in the context of risk management;

- transparent and objective mechanism for administering indicators;
- normalization of target values in exceptional cases under the influence of environmental factors beyond the control of management, and with the obligatory condition of searching and implementing measures for full or partial compensation of emerging risks.

KPI System Development

The system of goal-setting and monitoring of achievement of key performance indicators (KPIs) has been introduced since 2017, it covers not only top management, but also middle and junior managers and is directly related to the annual remuneration.

The KPI system pays attention to the complexity in approaches and balance in a set of production, financial and economic indicators, goals of project activities, quality requirements and safety of production organization. Target values are set taking into account the most optimal and efficient possible business development scenarios. Goal-setting for KPIs of senior-level specialists, the results of their work, the degree of fulfillment of established metrics are regularly reviewed by the Personnel and Remuneration Committee with the results of the work submitted for discussion at the Board of Directors.



In 2022, the coverage of the Company's units reached the level of 71% (115 enterprises of the Group), and the coverage of middle managers exceeded 1,100 managers. The KPI system is expanded by aligning the financial incentive system in controlled companies with corporate standards with a reference to the achievement of KPIs, and by fixing the targets of controlled companies in the KPI cards of their immediate supervisors from among the Company's top management. In 2023, work will continue on the integration of new service assets into the Company's KPI system.

The indicators for the reporting year demonstrate positive results, maintaining the overall stability of the business:

Key Performance Indicators	Compliance
Technical and economical indicators	
Operating performance indicators	•
Free cash flow	•
EBITDA financial performance	•
Expense management	•
Project activities	
Investment efficiency	•
Development of innovations	•
Key project implementation	•
Sustainable development indicators	
State of industrialand occupational safety	•
Reduction of GHG emissions	•
Decrease in energy intensity	•
Implementation of socially oriented programs	•

In terms of consolidated financial indicators, in particular EBITDA and FCF, the Company exceeded its strategic goals last year. The main factors, in addition to the increase in energy prices, are the increase in production and sales of petroleum products and the increase in the efficiency of their production. Additional value is created by investment projects and business diversification projects; attention is paid to increasing internal efficiency and improving business processes, in particular, work is being done to manage costs in all business segments.

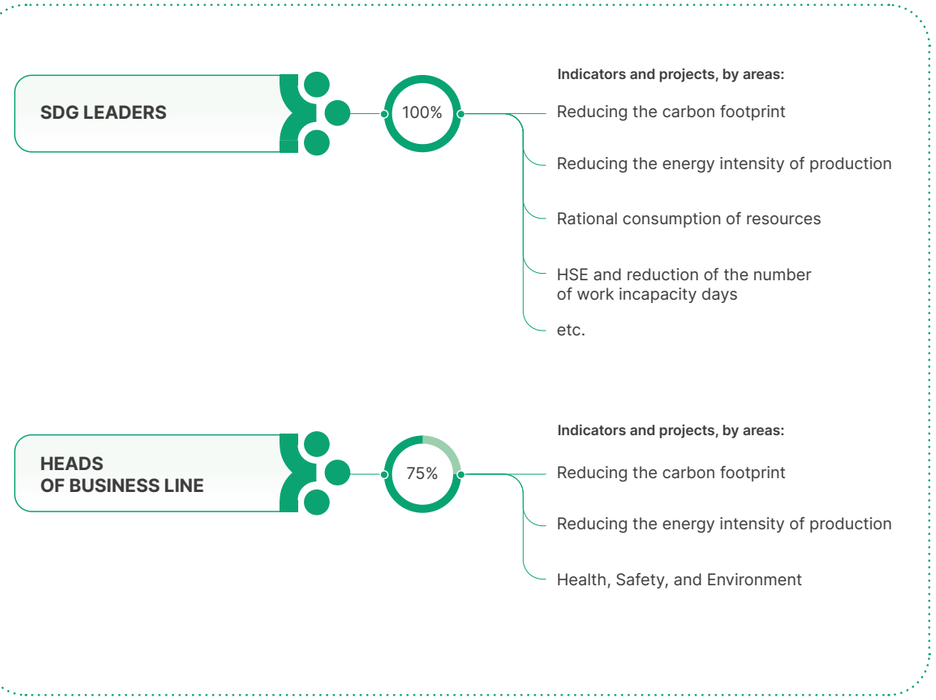
Sustainable development goal maps are integrated into existing monitoring systems, including the dependence of the annual remuneration of key management positions on the level of achievement of indicators from among the priority sustainable development goals (Decision of the Board of Directors No. 4 dated 30.05.2023). The priority KPIs include indicators for reducing greenhouse gas emissions, increasing energy efficiency, implementing innovative projects and socially oriented programs. The development goals planned for 2023 in this area have been achieved.

The focus of the KPI system is ESG transformation:

- quality of sustainable development management
- reducing sustainability risks
- achievement of SDG indicators

Integration of priority SDGs into the KPI system

The integration of sustainable development goals into the TOP management motivation system is addressed by including relevant indicators in the KPI system. The Board of Directors has adopted an algorithm for implementing a monitoring and motivation system for achieving sustainable development goals by management levels, which regulates the procedure for cascading and assigning tasks to process owners at the strategic, tactical and operational levels and provides for linking results with a reward system. Since 2021, the share of KPIs pertaining to the implementation of the Sustainable Development Goals has increased from 12% to 25% in the total set of indicators. For SDG leaders, having KPIs that meet the Sustainable Development Goals is a prerequisite (coverage is 100%). 75% of business line managers have indicators or key projects pertaining to the SDGs included in the KPIs.


SDG LEADERS
100%
Indicators and projects, by areas:
Reducing the carbon footprint
Reducing the energy intensity of production
Rational consumption of resources
HSE and reduction of the number of work incapacity days
etc.
HEADS OF BUSINESS LINE
75%
Indicators and projects, by areas:
Reducing the carbon footprint
Reducing the energy intensity of production
Health, Safety, and Environment

Remuneration of Members of Governance and Executive Bodies

The list of all types of payments provided to the members of the Board of Directors and the conditions for receiving them is determined by the Regulations on the Payment of Monetary Remuneration to Members of the Board of Directors and the Revision Commission of PJSC TATNEFT, as well as Compensation for Expenses Related to the Performance of the Functions of the Board of Directors' Members. The Regulations ensure the transparency of the mechanism for determining the amount of remuneration for members of the Board of Directors.

Remuneration of members of the Board of Directors, RUB

	2021	2022	2023
Remuneration for the service on the governance body	96,905,309.00	111,170,133	119,412,092
Wages	17,430,524.69	15,307,325.93	15,482,752.33
Bonuses	135,355,798.20	236,572,231.12	184,337,881.12
Other types of remuneration	52,111,005.23	101,074,177.56	96,587,532.82
Compensation	118,456.00	1,521,636.96	8,895.61

Payments to the members of the Management Board are made in accordance with the basic terms of the contracts concluded for the performance of the duties of a Management Board member.

Motivation system for top management of PJSC TATNEFT named after V.D. Shashin is formed taking into account a set of internal documents of the Company and includes:

- remuneration based on performance and implementation of significant projects, based on the achievement of individual performance indicators;
- remuneration based on the principles of long-term motivation;
- current monetary remuneration;
- social security.

Information on remuneration of members of the Board of Directors and the Management Board is disclosed in the consolidated financial statements under IFRS for 12 months of 2023.

Address of the web-page where the above reports are freely available:

Financial and accounting reporting

SHAREHOLDER EQUITY

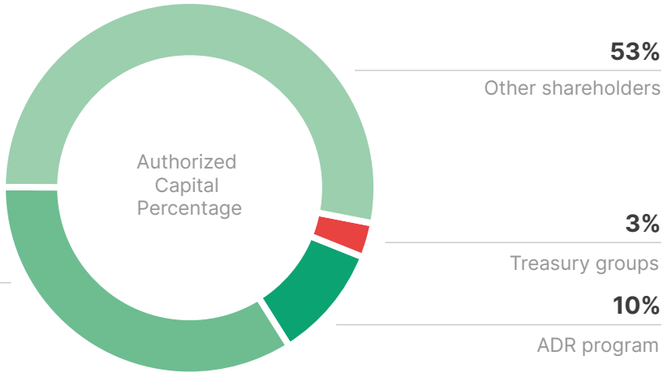
The Company's shares have been listed on the Russian and International stock markets for over 25 years and are among of the most marketable instruments of the securities market.

The geography of the shareholders' location covers Russia (the major part of shareholders), North America, Australia, European and Asian countries.

The ordinary and preferred shares enlisted in the Level 1 quotation lists are traded on Moscow Exchange PJSC. PJSC TATNEFT shares are included in the calculation base of the Moscow Exchange (IMOEX) and Russian Trading System (RTSI) indices which are the main indicator of the Russian stock market.

Since 2021, the Company's shares have been traded on St. Petersburg Stock Exchange PJSC without being included in the quotation lists.

Shareholder Equity Structure*



The total number of shareholders of the Company exceeds 590,000. Of them, the number of holders of ordinary shares is 581,706 shareholders.

The total number of shareholders increased by more than 200,000 during the calendar year. Such an increase in the number of shareholders indicates the confidence on the part of the investment community and allows the Company to declare the reliability of the development strategy followed and the dividend policy applied.

Owners of 5% or more of the authorized capital or ordinary shares	Type of legal entity	Authorized capital, %	Ordinary shares, %
Svyazinvestneftekhim Joint Stock Company	Owner	27.232389	29.071778

The Company declares that it does not have any information on the existence of shareholdings in excess of five percent, other than those disclosed, nor any information on the possible acquisition of control by certain shareholders to the extent disproportionate to their equity interest in the authorized capital, inter alia, on the basis of shareholder agreements or otherwise.

There are no shares held by PJSC TATNEFT.

The shares held by the legal entities controlled by the Company account for 3.34% of the Company's authorized capital.

* The information is given as of 28.11.2023, i.e. as of the date of determining (recording) the persons entitled to participate in the last Extraordinary General Meeting of Shareholders of the Company, unless otherwise specified in the text of the section.

Authorized Capital

The authorized capital of the Company consists of the par value of the shares acquired by the shareholders and amounts to RUB 2,326,199,200.

The authorized capital of the Company is divided into registered uncertificated shares of two categories with the same par value of RUB 1.00 each:

- preferred shares – 147,508,500 pcs, interest in the authorized capital – 6.34%
- ordinary shares – 2,178,690,700 pcs, interest in the authorized capital – 93.66%

In respect of PJSC TATNEFT, in accordance with the Privatization Plan for the Transformation of the Tatneft Production Association into an Open Joint-Stock Company approved by Resolution of the State Committee of the Republic of Tatarstan on State Property Management No. 22 dated 19.01.1994, the Republic of Tatarstan used the special golden share right. The golden share special right in accordance with Cl. 5 of Article 38 of Federal Law No. 178-FZ "On Privatization of State and Municipal Property" dated 21.12.2001 shall be valid until a decision is made to terminate it.

Data on shares	Ordinary registered shares	Preferred registered shares
Form of issue	Uncertificated	Uncertificated
Quantity issued, pcs	2,178,690,700	147,508,500
Share par value per share, RUB	1.00	1.00
State registration number of the share issue	1-03-00161-A	2-03-00161-A
Date of state registration	26.10.2001	26.10.2001
ISIN	RU0009033591	RU0006944147
International Classification of Financial Instruments (CFI) code	ESVXFR	EPXXXR
Exchange and stock trading code	Moscow Exchange PJSC, TATN	Moscow Exchange PJSC, TATNP

American Depositary Receipts

PJSC TATNEFT was one of the first Russian companies to place their securities on the international capital market in order to expand the range of potential investors. In December 1996, agreements were concluded on the issuance of American Depositary Receipts (ADR). Each ADR certifies the right to six (6) ordinary shares of the Company. Since 2021, Citibank, N.A. acts as the depository bank for the PJSC TATNEFT's ADR program. The depositary receipts of PJSC TATNEFT are included in the listing of the London Stock Exchange under the ATAD code.

Type of security	Ordinary registered shares	ADR
State registration number	1-03-00161-A	Not applicable
ISIN	RU0009033591	US8766292051
Total number (pcs.) as of 14.02.2024	223,629,480	37,271,580
Storage location	NCB JSC National Settlement Depository	Citibank, N.A.
Stock exchange, security trading code	Moscow Exchange PJSC, TATN	London Stock Exchange, ATAD

Amendments introduced in April 2022 by Federal Law No. 114-FZ "On Amendments to the Federal Law „On Joint Stock Companies„ and Certain Legislative Acts of the Russian Federation" dated 16.04.2022 set a ban on the circulation of securities of Russian issuers outside the Russian Federation in the absence of a special authorization. PJSC TATNEFT has received an authorization from the Government Commission to continue the circulation of ADR outside the Russian Federation, on the basis of which the ADR program of PJSC TATNEFT has been extended indefinitely.

ADR to ordinary shares ratio

as of 31.12.2021	as of 09.01.2023	as of 14.02.2024
93.5 million ADRs — 25.7% of ordinary shares	49 million ADRs — 13.5% of ordinary shares	37 million ADRs — 10.26% of ordinary shares

Bonds

In 2019, the Board of Directors approved the Program of Exchange-Traded Bonds (series 001P, identification number 4-00161-A-001P-02E) in the amount of up to RUB 100 billion. In January 2023, the Board of Directors amended the Program of Exchange-Traded Bonds (series 001P, identification number 4-00161-A-001P-02E) to increase the maximum amount under the Program to RUB 300 billion; in June 2023, the maximum size of the Program was increased to RUB 400 billion.

Placed exchange-traded bonds of the BO-001P-01 series in the amount of 15,000,000 pieces, with a par value of RUB 1,000.00 (state registration number of the issue 4B02-01-00161-A-001P, ISIN code — RU000A1018K1) under the Program of Exchange-Traded Bonds (series 001P, identification number 4-00161-A-001R-02E) were redeemed on 20.12.2022, due to the expiration of their circulation period.

Investment Potential of Securities

Shares of PJSC TATNEFT are included in various stock indices, reflecting both the size of TATNEFT as a Company with a large capitalization and high rates of return, including: MOEX Index (IMOEX), MOEX Oil and Gas Index, RTS Index, RTS Oil and Gas Index, MOEX Blue Chip Index, MOEX — RSPP Sustainability Vector Index, MOEX — RAEX ESG, Moscow Exchange Islamic Investments.

Trading Results as of 29.12.2023 (last day of trading in 2023):

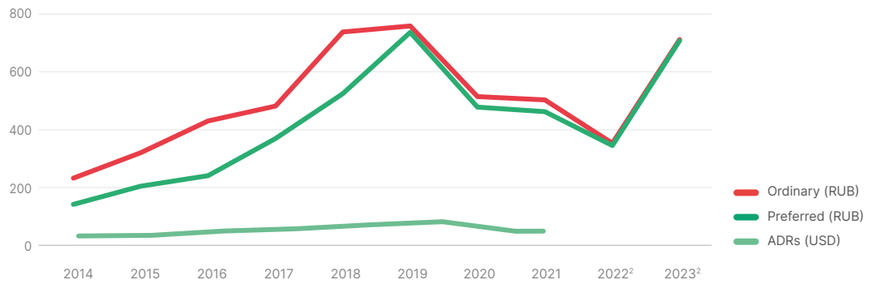
Moscow Exchange PJSC
Ordinary shares:

- total traded during trading sessions: RUB 326,168,173,882.30 (average daily volume of RUB 1,284,126,668.83)

Preferred shares:

- total traded during trading sessions: RUB 69,494,771,785.10 (average daily volume of RUB 273,601,463.72)

Value of securities*



* Closing price on the last day of the trading year

** CSince March 3, 2022, the London Stock Exchange has suspended admission to trading of PJSC TATNEFT's ADRs

Capitalization

GRI 2–6

	2019	2020	2021	2022	2023
RUB billion	1,763.4	1,185.9	1,158.2	810.4	1,654.1
USD billion	28.4	16.1	15.7	11.3	18.3

DIVIDEND POLICY

The Company adheres to a balanced dividend policy, recognizing dividends as one of the key indicators of investment attractiveness for shareholders.

The Board of Directors determines the recommended amount of dividends for the General Meeting of Shareholders, based on an economically sound approach to the distribution of profits and maintaining a balance of short-term and long-term interests of shareholders. The principles and conditions for making decisions on the payment of dividends are defined by the Regulations on the Dividend Policy of PJSC TATNEFT named after V.D. Shashin.

The Board of Directors, when determining the amount of dividend recommended to the General Meeting of Shareholders, is governed by the amount of the net profit and assumes that the amount allocated to dividends is at least 50% of the net profit determined in accordance with RAS or IFRS, whichever is larger. With that, the Board of Directors takes into account the duties and investment program of the Company, the need in working capital and required reserves for business operations, and assumes that free cash that is formed after funding the investment program, execution liabilities and other needs of the Company may be distributed in the form of dividends. In addition to restrictions on the payment of dividends provided for by the legislation, the Board of Directors may decide to recommend that the General Meeting of Shareholders decide not to pay dividends for the reporting period if such payment, in the opinion of the Board of Directors, including with consideration of the financial and economic situation and prospects for its development, may entail a deterioration in the Company's financial standing or its ability to finance investment programs and/or social obligations.

Dividends per share, RUB	2019	2020	2021	2022	2023*
Preferred	65.47	22.24	42.64	67.28	87.88
Ordinary	64.47	22.24	42.64	67.28	87.88

Dividends paid	2019	2020	2021	2022	2023
Amount of dividends, RUB billion	149.9	51.7	99.1	156.4	-
Of net profit according to IFRS*, %	77	50	50	55	71

History of dividend payments on the Company's website

* With the dividends proposed by the Board of Directors for approval by the Annual General Meeting of Shareholders

According to the results of 2023, it is proposed to allocate RUB 204 billion 426 million for the payment of dividends, which is 71% of net profit received under IFRS. The Company's cash flows provide the payment of dividends without creating a source deficit for implementing the investment program, conduct of operating activities and the fulfillment of existing obligations.

Based on the results of 2023, the Board of Directors recommends the Annual General Meeting of Shareholders of the Company to make a decision on the payment of dividends on preferred and ordinary shares in the amount of 8,788% of the par value, taking into account the previously paid dividends for 6 and 9 months in the amount of 6,271% of the par value of the preferred and ordinary shares. Taking into account the fact that interim dividends in the amount of RUB 145 billion 876 million were accrued for 6 and 9 months of 2023, additional dividends for 2023 will amount to RUB 58 billion 550 million, which is 25 rubles 17 kopecks per each share.

PROTECTING AND ENSURING SHAREHOLDER RIGHTS

GRI 2–29

The Company has established a multi-level system to protect the rights of Company shareholders.

The Company provides all the conditions for the shareholders to exercise their rights:

- to participate in the management of the Company by voting at the General Meeting of Shareholders
- to participate in the formation of the Board of Directors pursuant to the legislation of the Russian Federation
- to receive part of the Company's profits in the form of dividends
- to receive the necessary information about the Company on a timely and regular basis
- to free and unhindered disposal of shares, reliable methods of recording rights to shares

The procedure and terms for providing information to shareholders and persons exercising rights on shares, as well as their representatives, are governed by the Regulations on Providing Information to Shareholders of PJSC TATNEFT named after V.D. Shashin.

Key principles of engagement with Company shareholders

- Guaranteed equal provision and observance of the legitimate rights and interests of all shareholders of the Company, regardless of the number of shares
- Engagement of the management with shareholders in order to effectively manage the Company and ensure its sustainable and dynamic development
- Improvement of existing and development of new mechanisms and forms of engagement with shareholders, increasing the efficiency and quality of engagement
- Identification and addressing of general and specific issues associated with the exercise of the shareholders' rights
- Taking the necessary measures in case of a conflict between governance bodies and shareholders, as well as between shareholders if the conflict affects the interests of the Company

Registrar

The Company provides reliable and secure methods of recording share rights, involving a professional registrar to keep records.

The organization that registers the rights to equity securities of PJSC TATNEFT is Eurasian Registrar Limited Liability Company, which has been professionally operating on the Russian securities market as a specialized registrar for more than 20 years.

The Registrar is among the top 10 largest Russian registrars and maintains registers of more than 500 issuers, including the largest enterprises and holdings. Shareholder service points and transfer agency points are open in 17 regions of the largest presence of the Company's shareholders.

The Registrar is a member of National Financial Association Self-Regulatory Organization (NFA SRO).

The high degree of reliability and security of maintaining electronic databases is ensured by the use of the Zenit registry management system, which has the certificate of PARTAD SRO. The software and hardware capacity of the Registrar allows servicing over 1 million personal accounts of the owners of securities.

Guarantees to customers are provided by Ingosstrakh comprehensive insurance policy for the compensation of property damage as a result of the registrar's activities.

The Company, together with the Registrar, regularly informs shareholders about the need to update information about shareholders contained in the shareholder questionnaire of PJSC TATNEFT, and takes actions to identify 'sleeping' shareholders, as well as possible heirs of shareholders.

Information about the registrar, the procedure for entering information in the PJSC TATNEFT register of shareholders, obtaining extracts from the register of shareholders and performing other actions is available on the registrar's official website at www.earc.ru. The Shareholder's Personal Account service is available on the registrar's website.

SHAREHOLDER AND INVESTOR RELATIONS

GRI 2–29

The key priority of the Company's relations with shareholders and the investment community as a whole is building a dialogue and effective feedback from investors and analysts, reviewing and discussing their opinions about the Company and its investment history by responsible managers, making appropriate decisions.

Ensuring the confidence of shareholders and investors in the effectiveness of their investments, long-term and steady growth of shareholder value is a principal aspect of Company's corporate practice.

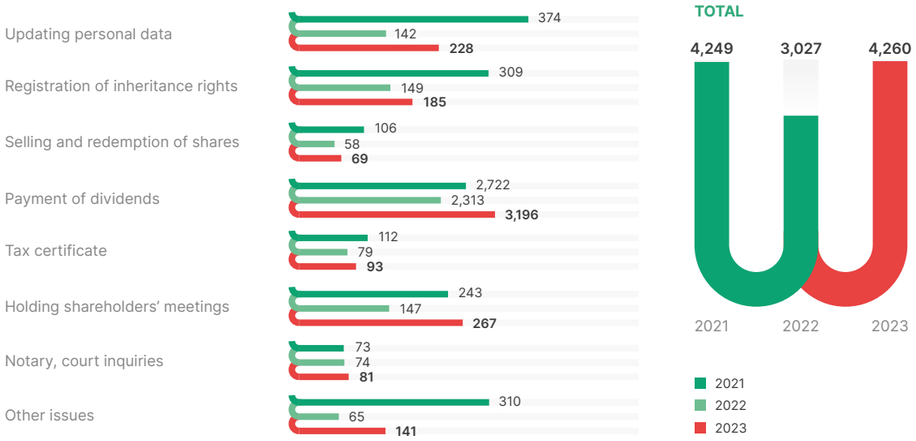
The Company's relationship with its shareholders and investors is based on the availability of responsible managers and key employees of the Company to communicate with shareholders, investors, and stock market analysts, as well as institutional investor consultants on voting issues to discuss the Company's development plans and performance as well as the ESG aspects.

For effective communication with shareholders and investors, the Company provides several communication channels:

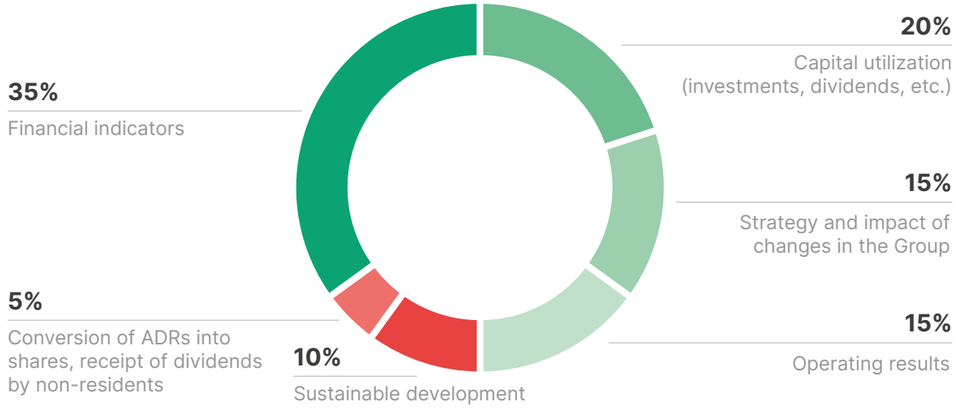
Shareholders' inquiries are accepted by phone:
8 (8553) 37-37-39; 8 (8553) 37-60-27;
8 (8553) 37-39-27.
24/7 PJSC TATNEFT hotline: 8 800 100 4 112
Postal address for receiving written inquiries: 75 Lenin Str., 423450 Almetyevsk, Republic of Tatarstan, Russian Federation
E-mail for sending electronic messages: ocb@tatneft.ru.

In 2023, the PJSC TATNEFT Corporate Secretary's Office received 4,260 inquiries from shareholders.

Treatment category



Categories of issues, %



Engagement with Institutional Investors

During 2023, engagement with investors and analysts was carried out taking into account external factors pertaining to the adoption of restrictive measures against Russia, the lack of open trading in the Company's securities outside the Russian Federation and the restriction of transactions by foreign depositories with securities of Russian issuers. In addition, the access of investors from unfriendly countries to trading on Russian stock exchanges and their transactions (operations) with the Company's securities continued to be restricted. Under these conditions, the main part of the engagement was carried out with Russian investors and analysts of Russian investment companies. The main issues that worried investors were related to the financial performance of the Company, the effect of changes in the structure of the Group, the implementation of investment and dividend policies, as well as taxation of the industry. At the same time, relations with foreign investors were sporadic and related mainly to issues of the possibility of voluntary conversion of depositary receipts into ordinary shares, as well as receiving dividends, taking into account existing restrictions. During 2023, the analytical coverage of the Company's shares by investment companies and banks did not change significantly, and at the end of the year the shares of PJSC TATNEFT named after V.D. Shashin was covered by analysts from more than 6 investment companies and banks.

In general, during 2023, Company's specialists responded to more than 1,000 inquiries and requests from investors and analysts. The majority of the questions were related to financial performance, the Company's strategy in light of external factors, operations, dividends and progress in achieving sustainable development goals.

The opinions of investors and analysts are promptly communicated to the responsible managers, discussed and taken into account when making decisions. The Board of Directors of the Company, the Corporate Governance and Sustainable Development Committee and the Audit Committee are being informed about the work on engagement with investors on an ongoing basis.

Most of the inquiries were answered during the direct communications and correspondence with investors and analysts based on the published information; responses to some inquiries were prepared with the involvement of responsible services of the Company and were sent in writing or communicated orally. The Company has organized the process of prompt preparation of responses to investors' requests in various areas of activity. Answers are provided in written and oral form with mandatory disclosure and publication of any information that is material and may affect the value of the Company's securities.

Materials for shareholders and investors, including press releases, presentations, annual reports, issuer reports, and material facts are posted on the Company's official website: www.tatneft.ru.

In order to achieve the highest possible quality of engagement with the shareholders, the Company endeavors to use the most reliable methods and forms of communication, including advanced information technologies.

RISKS AND CONTROL

GRI 2–12, 2-23, 2-24 | TCFD-3.1 | SASB EM-EP-530a, EM-RM-530a.1

Precautionary principle is a key principle of the risk management and internal control system: the Company's principal approach is to assess the likelihood of a risk event and prioritize preventive measures over reactive ones. The Company adheres to the precautionary principle, which is one of the basic principles in the system of strategic and current planning of operations in all areas.

Given the dynamic business landscape development, constant changes in the composition, quality and intensity of factors that may affect the Company's activities, the Company continuously develops the risk management and internal control system in accordance with regulatory legal acts and laws of the Russian Federation, the Articles of Association, the Risk Management and Internal Control Policy, Human Rights Policy and other internal documents of the Company, the Corporate Governance Code, recommended for use by the Bank of Russia, and also on the basis of generally recognized concepts and best practices in the risk management and internal control, including the COSO integrated concept of building an internal control system, the concept of risk management of COSO ERM organizations within the recommendation of the Committee of Sponsoring Organizations of the Treadway Commission, international standards ISO31000 Risk Management. Principles and Guidelines and ISO31010 Risk Management. Risk Assessment Methods.

Risk management and internal control are integrated with each other and into the Company's management system and are part of the daily work of all Company units. In order to make optimal and reasonable business decisions aimed at achieving strategic goals and operational results of the relevant business lines and TATNEFT Group as a whole, each manager and employee shall identify and control risks, and plan their actions based on risk assessment

The Company is aware that the improvement of the risk management and internal control system implies thoroughness and consistency of corporate procedures in accordance with the COSO recommendations, as well as systematic training and professional development of management at all levels and the Company's personnel in the risk management and internal control.

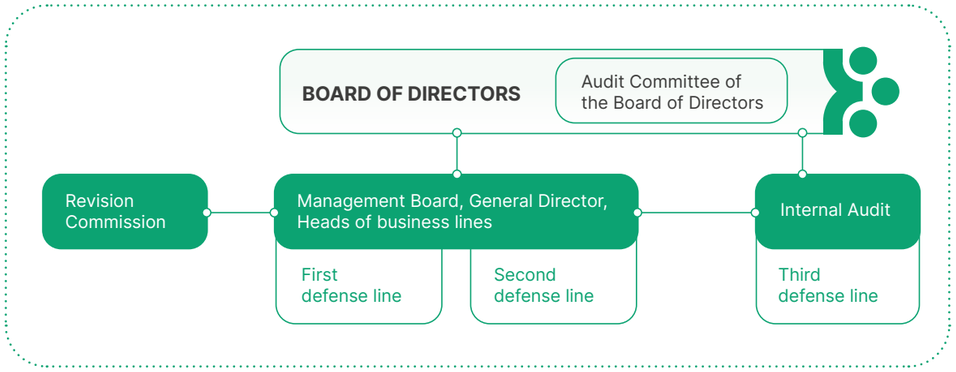
Management System

The Board of Directors performs the key function in the formation of the Company's risk management and internal control system (RMICS) and determines the main tasks and principles of arranging internal control, approves the internal control policy, assesses the internal control system operation, reviews reports on the results of implementation of the adopted strategy and Company performance in general.

The Audit Committee of the Board of Directors assists the Board of Directors in monitoring the reliability of the risk management and internal control system and assessing the efficiency of its procedures and prepares recommendations for improving the internal control system.

The Revision Commission exercises independent control over financial and economic activities, the procedure for maintaining accounting records in accordance with applicable legislation and the presentation of accounting (financial) statements and information to shareholders.

Monitoring the operational efficiency and reliability of the RMICS is based on the "three defense lines" principle and corporate model.



FIRST DEFENSE LINE

It consists of management control at all levels of the Company's management, as well as a system of internal controls systematically and regularly exercised by managers at all levels. The Management Board and the General Director of the Company are responsible for the operation of the first defense line as the foundation of the internal control system.

Management Board and General Director of the Company	Ensure the organization and operation of the risk management and internal control system Distribute powers, duties and responsibilities among the heads of business lines and units of the company Assume responsibility for the operation of the first defense line as the internal control system foundation
Heads of business lines and units	Ensure the continuous operation of the risk management and internal control system Determine adequate control procedures in the assigned units Arrange the control environment work Assume responsibility for the efficient internal control to achieve the goals of the supervised business lines and units
Company and TATNEFT Group employees	Timely and efficiently perform all the stipulated measures and procedures of internal control in their functional areas

SECOND DEFENSE LINE

being partly independent of the first line, it offers the opportunity to challenge and adjust the control measures of the first defense line in the course of decision making, considering the existing risks. Control services and units provide guidance, control and monitor compliance of the business lines with the stipulated rules and regulations, adjust business processes in case of manifestation of risks and deviations.

Financial and economic services	exercise control over the execution of payments, transactions for the depositing and borrowing of funds, manage accounts receivable and accounts payable, cash reserves, ensure compliance with working capital standards, control loans issued, transactions with guarantees and sureties
Legal Department	provides legal support for the TATNEFT Group's business, is responsible for the compliance control functions, as well as for compliance with regulatory requirements and legal norms
Control and Audit Department	carries out audits of the financial and business activities of the Company and its units for compliance with the legislation of the Russian Federation, the Articles of Association and other internal documents of the Company, upon which provides proposals and recommendations to eliminate the causes and consequences of violations
Security Department	is responsible for internal control in the field of counterparty risk assessment and management, ensuring the protection of the Company's assets, information and personal data of Company employees, information and IT security, counteraction of fraud and corruption ensures the physical safety and security of assets, economic security of processes in the procurement of goods, services and sales of products
Ethics Committee	oversees compliance with ethical requirements in TATNEFT Group

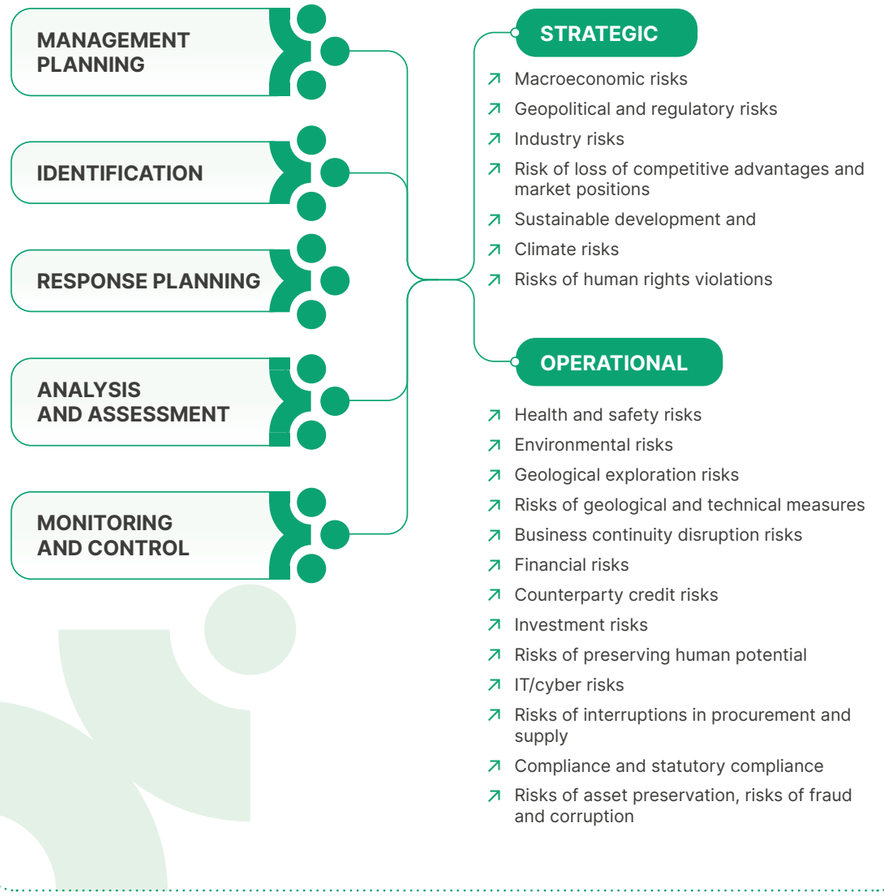
THIRD DEFENSE LINE

Provides an independent and objective assessment and makes recommendations regarding the adequacy and efficiency of the corporate governance and risk management system. The results of the assessment are communicated to the Board of Directors and executive bodies.

Internal Audit Department	tests the efficiency of internal control during scheduled and unscheduled internal audits, develops appropriate recommendations based on the results of audits, arranges monitoring of the implementation of corrective measures, and also performs an independent assessment of the internal control system within TATNEFT Group
Hotline	an independent tool for reporting dishonest and corrupt practices to prevent, detect and suppress the same, subordinate to the Internal Audit Department

Risk management culture

Risk management includes processes pertaining to risk identification, analysis and decision-making, which include maximizing the benefits and minimizing the adverse consequences of the risk event occurrence.



Strategic Risk Management

The Company regularly analyzes and assesses strategic risks, as reflected in the Company's strategy updating. In particular, macroeconomic and industry trends are predicted and taken into account, including the dynamics and quality of economic growth, trends in demand for oil and energy resources, basic factors underlying the dynamics of demand, supply and oil prices in the world market, and currency fluctuations. At the same time, other global socio-economic processes, climate changes, the state of foreign policy and government regulation, infrastructure and other conditions and restrictions that may affect the Company's operations are given due regard. The Board of Directors and Management Board of the Company discuss strategic risks on a regular basis.

Operational Risk Management

In order to ensure the risk management system efficiency at the operational level, the Company develops and implements internal documents governing risk management. The Company updates the register of operational risks for all business units at least once a year. Identification, assessment and monitoring of operational risks are focused on increasing the likelihood of achieving strategic and medium-term goals, indicators of business plans of units and specific production results.

The Company assesses risks when developing three-year and annual business plans for TATNEFT Group, taking into account the implementation of the approved Strategy. When developing business plans and sources of funding, macroeconomic parameters and various scenario conditions are taken into account, including market volatility and prices for oil and petroleum products, planned volumes of oil production and refining, the structure of oil and petroleum product exports, state regulation conditions, etc. Cash flow management is carried out based on the principles of continuity of current activities, fulfillment of obligations, implementation of investment programs and creation of an acceptable level of reserves.

Principles of Risk Management

A systematic approach to managing all types of risks, in all fields, at all stages
Risk management responsibility of each process party
Cross-functional interaction between business processes
Unified information space of the risk management system
Separation of decision-making levels according to risk significance level
Linking processes and functions to specified goals
Bottom-up (decision-making) and top-down (control and management) risk movement
Cost-effectiveness and reasonable sufficiency
Control of risk management efficiency (monitoring and response)

In order to shape the risk management culture, the Company accumulates knowledge about risks, analyzes realized and prevented risks and distributes this knowledge among employees and management of the Company, for which the Corporate University of the Company implements advanced training programs in the following areas: Change Management, Project Management, Risk Management, and Process Management.

Information on the principal risks is provided in Annex 2 “Key Risks” to this Annual Report.

Insurance Coverage Management

Compulsory and voluntary insurance programs are widely used at TATNEFT Group entities. The insurance protection program is implemented with the engagement of the major Russian insurance companies that have a high current reliability/financial stability rating.

In connection with the current situation in the international market, since 2022, reinsurance has been carried out by Russian National Reinsurance Company, JSC, the founder of which is the Bank of Russia.

Insurance of Liability Risks of Governance Body Members

The Company insures liability risks of members of the Company’s governance bodies, inter alia, abroad, under the terms and within the scope that are consistent with the insurance market for such risks in the Russian Federation.

In 2023, Ingosstrakh Insurance, Public Joint Stock Company provided liability insurance for governance bodies’ members.

Internal Control

The internal control system covers the key business processes of TATNEFT Group, which contributes to ensuring the reliability of financial statements, compliance with legislation and local regulations of the Company. Internal control helps to improve the efficiency of the Company’s management in financial and business activities, prevents damage to the reputation of the Company.

Internal control principles

- Process integrity at all management levels
- Uniformity of the methodological base
- Continuity of operation
- Risk-based approach
- Comprehensive coverage of business lines
- Responsibility of process subjects
- Timeliness of information
- Delineation of powers in the field of internal control
- Reasonable sufficiency of control procedures
- Ensuring smooth operation
- Documentation of control processes
- Combating fraud and corruption
- Continuous development and improvement
- Interaction and coordination of control subjects at all levels
- Independent assessment

Plans to improve the risk management and internal control system

- Particular attention is paid to the risks of ensuring business continuity, sustainable development and ESG factors
- Centralized approaches to system identification, ranking and risk management are being introduced, internal reporting procedures are being improved
- To mitigate the impact of operational risks, work continues to improve the maturity of the management system in the field of health, safety and environment
- Risk-based insurance approaches are being improved

Control Systems Efficiency Assessment

External Audit	The Audit Committee reviewed the quality management system of the external auditor, compliance with auditor independence requirements in accordance with Russian and international standards, and did not find any circumstances that would indicate inefficiency of the external audit processes (Minutes of the Audit Committee of PJSC TATNEFT Board of Directors No. 03/24 dated 11.03.2024)
Internal Audit	The Audit Committee did not find any criteria or circumstances that would indicate the inefficiency of the internal audit system (Minutes of the Audit Committee of PJSC TATNEFT Board of Directors No. 12/23 dated 19.12.2023)
Risk Management and Internal Control System	According to the results of the audits, no critical facts were found on the basis of which it could be concluded that the Company’s internal control and risk management system is inefficient. Based on the identified shortcomings, recommendations were given for their elimination. Corrective measures were developed, the implementation of which is regularly monitored by the Internal Audit Department. (Minutes of PJSC TATNEFT Board of Directors No. 9 dated 26.01.2024)

INTERNAL AUDIT

The internal audit of the Company is aimed at assessing the reliability and performance of the Company, provides for identification of internal reserves to increase the efficiency of the financial and business activities of the Company and TATNEFT Group, and to improve the internal control and risk management system.

The internal audit function is isolated by the nature of its activities, it has the necessary independence status, it is administratively subordinate to the General Director, functionally to the Board of Directors of PJSC TATNEFT, which corresponds to the best Russian and international corporate governance practices.

The Internal Audit Department operates i accordance with the International Professional Standards of Internal Auditing and the Code of Ethics of the Institute of Internal Auditors. The goals, objectives and powers of the Company's Internal Audit Department are defined by the Regulations on the Internal Audit Department of PJSC TATNEFT.

The internal control system efficiency is assessed taking into account the coverage of the main and auxiliary business processes in all fields of the Company's operations in accordance with the internal audit plan approved by the Board of Directors. When preparing the annual plan, proposals received as a result of a survey of heads of business lines and units of the Company, the results of previous audits, the significance of the topic for the implementation of the strategic objectives of TATNEFT Group, the level of risks and other factors are taken into account.

As part of the audit, a system of internal control over the operational efficiency of processes, compliance with the legislation, and safety of property is considered. The audit is conducted using the risk-based approach. The report on the results of the internal audit is sent to the management of the Company and the Audit Committee. The Internal Audit Department monitors the implementation of measures and informs the Company's management and the Audit Committee of the Board of Directors on the progress of elimination of the identified deficiencies.

In 2023, the Internal Audit Department conducted 9 audits and took part in unscheduled projects on various issues of the Company's financial and economic activities. The implementation of action plans approved based on the results of projects was monitored, and the work plan of the Internal Audit Department for 2024 was approved.

Quality Assessment of the Internal Audit Function

In order to obtain an independent opinion on the quality of the internal audit function, the Company, in accordance with the recommendations stipulated by law, performs an external audit quality assessment at least once every five years.

- The quality assessment of the Company's internal audit function was carried out in 2021 by Ernst & Young — Appraisal and Consulting Services, LLC. Based on the assessment results, the activities of the Company's Internal Audit Department generally comply with the International Professional Standards of Internal Auditing of the Institute of Internal Auditors and the Code of Ethics.

EXTERNAL AUDIT

In order to independently assess the reliability of the accounting (financial) statements, the Company annually engages an external auditor to conduct an audit of statements prepared under International Financial Reporting Standards (IFRS) and Russian Accounting Standards (RAS). The General Meeting of Shareholders appoints an external auditor based on the recommendation of the Board of Directors of the PJSC TATNEFT, adopted on the basis of the assessment carried out by the Audit Committee.

JSC Technologies of Trust — Audit was appointed an auditor for compulsory audit of the annual financial accounting statements for 2023 prepared in accordance with Russian and International Accounting Standards by the decision of the Annual General Meeting of Shareholders (Minutes No. 42 dated 30.06.2023).

Auditor's fee for 2023

Assurance services (excluding VAT) — RUB 124.9 mln (excluding overhead costs), including:

- audit of the consolidated financial statements of TATNEFT Group prepared in accordance with IFRS — RUB 71.8 mln;
- audit of the financial statements of PJSC TATNEFT in accordance with RAS — RUB 6.4 mln.

Consulting and other services provided by Technologies of Trust Group (excluding VAT) — RUB 21.3 mln.

REVISION COMMISSION

Exercises control over the financial and business activities of the Company, over compliance with the legislation of the accounting procedure and over the submission of accounting (financial) statements and information by the Company to the relevant authorities and shareholders in accordance with the procedure and within the terms determined by the legislation of the Russian Federation.

The Revision Commission activities are regulated by the Company's Articles of Association and Revision Commission Regulations of PJSC TATNEFT named after V.D. Shashin.

In 2023, the Revision Commission held 9 meetings, at which issues were considered about the state of the Company's receivables and payables, control of the operational inventory count of the Company's property, an analysis of the process of accounting for funds for targeted financing and charity was carried out in terms of fixing the responsibilities of the parties in contracts, as well as analysis of the state of executive and technical documentation at social construction sites in terms of its availability, completeness, and safety.

Also, the Revision Commission reviewed documents on the mandatory annual inventory count of the Company, discussed the process of digitization of documents on the Company privatization, and considered the draft new version of the Revision Commission Regulations.

The expenditure of funds allocated in accordance with the approved business plans was monitored, and an audit of the financial and economic activities of the Company for 2022 was carried out.

In the course of work of the Revision Commission in 2024, the reliability of the data disclosed in the annual accounting (financial) statements and the Company's Annual Report for 2023, as well as the data disclosed in the Report on the Major and Related-Party Transactions of PJSC TATNEFT named after V.D. Shashin in 2023, was confirmed.

The conclusions of the Revision Commission were communicated to the Annual General Meeting of Shareholders.

The Revision Commission is elected as a body of eight members by the General Meeting of Shareholders for a term until the next Annual General Meeting of Shareholders. One member of the Revision Commission is appointed based on the special "golden share" right (Law of the Republic of Tatarstan No. 43-ZRT "On Privatization of State Property of the Republic of Tatarstan" dated 26.07.2004). A shareholder of the Company and any person proposed by a shareholder may be a member of the Revision Commission, with the exception of members of the Board of Directors and the Management Board of the Company.

Conclusion of the Revision Commission on the results of the audit of the financial and business operations, the annual financial statements and the fairness of the representations in the Annual Report 2023

Remuneration of the Revision Commission members, RUB	2023
Remuneration for participation in the governance body work	2,594,408.00
Wages	8,667,144.15
Bonuses	24,589,457.44
Other types of remuneration	8,156,277.81
Total	**44,007,287.40**

BUSINESS ETHICS

GRI 2–23, 2–24, 2–26, 3-3 | SASB EM-EP-530a; EM-RM-530a.1

Values and Principles

The Company maintains an impeccable reputation and carries out its activities in compliance with ethical business standards based on the principles of:

- strict compliance with the applicable legislation, respect for human rights and freedoms, respect for the honor and dignity of an individual
- assuming such obligations as it considers possible to fulfill, preventing any improper performance
- prevention of corruption and bribery
- exclusion of the possibility of participation in illegal transactions
- requirements for the fulfillment of similar obligations by the Company's counterparties and partners.

The approach to business ethics is holistic. Ethical aspects permeate all aspects of the Company's activities — from procurement activities and interaction in the team, to safety and trading operations. The Company systematically approaches the analysis of risks in this field and the development and implementation of measures to manage such risks.

Management System

Strategic level	Board of Directors	↗ Approval of internal documents governing the relationship between key management personnel, employees and the Company, as well as the procedure for interaction with all stakeholders
	Audit Committee	↗ Control of procedures governing conflicts of interest, compliance with legislation and internal documents ↗ Monitoring the efficiency of the fraud prevention system
	Sustainable Development and Corporate Governance Committee	↗ Assistance in shaping the ideology of corporate responsibility and respect for human rights ↗ Regulation of relationships between shareholders, management bodies and stakeholders ↗ Assessment of the corporate governance system
Operational level	Executive bodies	↗ Development and approval of regulations governing the principles of business ethics ↗ Ensuring the replication of best practices in the field of business ethics and employee training
	Ethics Committee	↗ Conflict resolution ↗ Creating mechanisms to respond to conflict situations and violations of ethical norms and rules
	Conflict of Interest Management Commission	↗ Risk assessment, development and application of the most appropriate form of conflict of interest resolution ↗ Ethical conflict resolution
	Anti-Corruption Commission	↗ Guidance on anti-corruption activities ↗ Recommendations on controversial issues of interaction between anti-corruption services
	Heads of Services	↗ Ensuring the functioning of processes for ensuring the principles of business ethics ↗ Determining requirements for compliance with business ethics procedures and analyzing the causes of misconduct
	Employees	↗ Compliance with stipulated norms and rules ↗ Examining the causes of inconsistencies ↗ Demonstrating ethical conduct by example
Feedback	Hotline	↗ Independent whistleblowing tool subordinate to the Internal Audit Department

The main documents regulating the Company's activities in the field of compliance with the basic principles and standards of business ethics are:

- Corporate Governance Code of PJSC TATNEFT named after V.D. Shashin
- Corporate Culture Code for PJSC TATNEFT Employees
- Anti-Corruption Policy of PJSC TATNEFT named after V.D. Shashin
- Information policy of PJSC TATNEFT named after V.D. Shashin
- PJSC TATNEFT named after V.D. Shashin Policy on Cybersecurity and Cyber Resilience
- Regulations on the Ethics Committee and Ethics Commissions of Business Units of PJSC TATNEFT named after V.D. Shashin
- Regulations on the Settlement of Conflicts of Interest in PJSC TATNEFT named after V.D. Shashin
- Regulations on Commercial Secrets of PJSC TATNEFT and Instructions on the Procedure for Forming the List of Information Constituting Commercial Secrets
- Regulations for the functioning of the Hot Line corporate system
- Regulations on the Acceptance and Giving of Gifts at PJSC TATNEFT
- Regulation on compliance with anti-corruption rules and regulations in the process of fulfilling contractual obligations

In order to develop a systematic understanding of corporate culture as a strategic factor of the Company's internal environment, its principles and values, the communication, maintenance and development of corporate culture, as well as the shaping of knowledge on business etiquette in the Company, the Corporate University of PJSC TATNEFT has developed a Corporate Culture course. Surveys on understanding the Company's values are conducted annually at the level of TATNEFT Group. In 2023, testing took place in a remote format on a single platform for training and development of employees, with the coverage of 6,374 people. The average level of understanding of the Company's Values for TATNEFT Group was 90.11%.

Ethics Committee

In order to develop corporate and business ethics in the Company, maintain a positive business image of the Company and create an internal mechanism for responding to conflict situations pertaining to violations of norms and rules, the Company has established the Ethics Committee.

Principles of the Committee's work

If there is information about a violation of the provisions of the Code of Corporate Culture, the employee may contact the Ethics Committee. The Ethics Committee investigates violations of the Code of Corporate Culture by employees of the Company. Based on the results of the investigation, the Ethics Committee prepares a report, and in case of confirmation of a violation of the Code, makes recommendations on the application of measures of influence to persons who committed a violation, and also develops measures to prevent such cases.

INSIDER INFORMATION PROTECTION

The Company pays special attention to the measures aimed at preventing inadmissible misuse of the insider information. In its activities, the Company is guided by Federal Law No. 224- FZ "On Preventing the Illegal Use of Insider Information and Market Manipulation and on Amending Certain Legislative Acts of the Russian Federation" dated 27.07.2010, other legislation of the Russian Federation, and Regulation (EC) 596/2014 of the European Parliament and Council of the European Union "On Market Abuse" dated 16.04.2014.

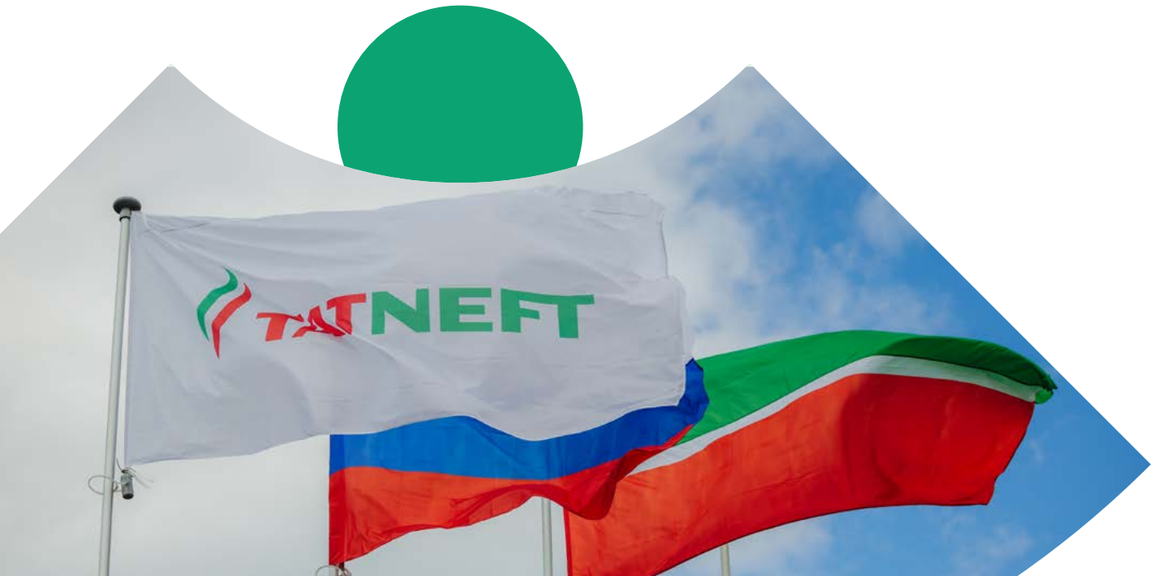
The Company provides all necessary procedures for the protection of insider information with the relevant internal regulations. The Board of Directors approved the Insider Information Regulations, which contains a list of insider information and governs the procedure for circulation, access and disclosure of insider information.

Every year, the Company creates a Calendar of Periods Available to an Insider for Transactions with Securities of PJSC TATNEFT, and publishes it on the corporate website. For persons who have access to insider information, explanatory work is carried out on an ongoing basis about the requirements of applicable legislation, and information materials are also posted on the corporate website.

The person responsible for monitoring compliance with the requirements of the legislation of the Russian Federation on combating the misuse of insider information and market manipulation is the Corporate Secretary of the Company.

INSIDER INFORMATION PROTECTION SYSTEM

GENERAL DIRECTOR
BOARD OF DIRECTORS
Insider Information Protection Committee
Sustainable Development and Corporate Governance Committee
Insider Information Control Service (Corporate Secretary's Office)



Insider Information Protection Committee

To ensure the insider information protection, the Company has an Insider Information Protection Committee in place.

The Insider Information Committee ensures the identification, analysis, assessment and monitoring of the risk of adverse consequences for the Company as a result of violations of the requirements of applicable legislation in the field of the procedure and terms for the disclosure of insider information, controls the compilation by the Company of its own lists of insider information and amendments thereto, ensures compliance with the rules of access to insider information, performs other functions provided for by the applicable legislation.

Composition of the Committee:

Damir Maratovich Gamirov (Chairman)	Corporate Secretary – Head of Corporate Secretary's Office
Vasily Aleksandrovich Mozgovoy	Assistant to General Director for Corporate Finance
Aigul Minkharisovna Alparova	Head of Information Policy Department
Tatyana Gennadievna Malakhova	Deputy Head of Corporate Secretary's Office

Insider Information Protection Activities

The Company maintains the list of insiders and monthly submits it to the Department for Combating Unfair Market Practices of Moscow Exchange PJSC. In addition, the list of insiders is provided to the UK Stock Market Regulator (FCA) based on a corresponding request sent by the Regulator. As of 31.12.2023, the list of the Company insiders included 12 legal entities and 215 individuals. During 2023, 20 individuals were included in the list of insiders, and 42 individuals were excluded.

Notification on a person inclusion in the list of insiders/ exclusion from the list of insiders is communicated to such persons by sending a written notice.

In addition, when a person is included in the list of insiders, such person, in accordance with the requirements of the London Stock Exchange, receives a Notice of Inclusion in the List of Insiders, Legal and Regulatory Liability.

No cases of illegal use of the Company's insider information by insiders were revealed.

INFORMATION POLICY

Corporate Covernance policy of the Public Joint Stock Company Tatneft named after V.D. Shashin

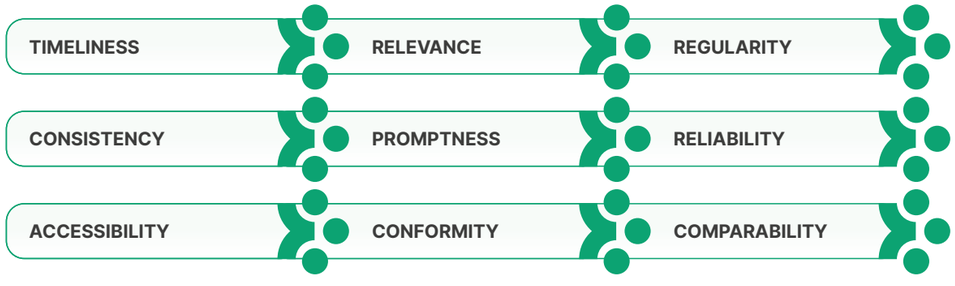
The Company's information policy regulates the scope of information subject to public disclosure, the procedure for providing information to the Company shareholders, the procedure for the Board of Directors members and the Company employees to interact with the Company shareholders and other parties concerned, the goals and principles of protecting confidential and insider information as well as mechanisms for monitoring compliance with the Company's Information Policy.

The Company follows the principles of commitment to transparent and responsible business conduct, fair competition, maintaining an open dialogue in developing cooperation with shareholders, investors and the business community. When disclosing information, the Company ensures its neutrality, that is, the independence of the presentation of such information from the interests of any entities or groups of entities.

TATNEFT is one of the few public companies that, despite the right to publish information in a limited scope, adheres to the principles of full information disclosure, which was noted at the XVII Forum of the National Association of Corporate Secretaries in 2023, where PJSC TATNEFT was ranked second in the nomination "Leader in Balancing Information Disclosure".

2nd place in the nomination "Leader in Balancing Information Disclosure" at the XVII Forum of the National Association of Corporate Secretaries

Information Policy principles



The Company avoids a formal approach when disclosing information about its activities, and does not omit adverse information about itself if such information is material to shareholders, investors and other stakeholders. The Company is committed to ensure the simultaneous disclosure of material information in the Russian Federation and abroad in accordance with the requirements for listing the Company's securities in overseas organized securities markets.

The procedure for interaction of the Company's officials when disclosing information is set out by the Regulations on Mandatory Disclosure of Information of PJSC TATNEFT named after V.D. Shashin, which determine the composition and scope of information subject to mandatory disclosure, the terms of disclosure and the persons responsible for its preparation and disclosure.

Information subject to mandatory disclosure in accordance with the legislation of the Russian Federation is disclosed on the Internet information and telecommunications network:

on the page of the information agency authorized to disclose information of the Company

on the official website of the Company in Russian and English

Following the principles of responsibility and openness of information policy, the Company, on a voluntary basis, additionally provides information about its activities, including the issues of social, environmental and other significance:

- Publication of information materials on the official website, on the official websites of TATNEFT Group entities, in corporate media
- publication of information materials in the media and social networks
- arrangement of speeches and interviews with Company representatives
- holding meetings with shareholders, investors, representatives of the expert community, as well as with stakeholders
- holding and participating in exhibitions, conferences, seminars and presentations in Russia and abroad

Annual publication of

>100

corporate action announcements

>50

press releases

Publications mentioning PJSC TATNEFT in the federal mass media*

Subject matter	Number
Production operations	937
Securities	2,093
Transactions, projects, investments	1,221
Corporate actions, M&A	1,178
Macroeconomics	664
Politics and State	289
State regulation	349
Financial results	689
Environment	227
Ratings	264
HR	127
Social matters	139
Science and Technology	167
Bidding procedures and Tenders	76
Art and Culture	72
Sports	315
Offences and criminality	10
Education	29
Religion and Faith	30
Loans and Borrowings	2
Agribusiness industry	191
Tourism	14

* according to SCAN-Interfax

CONFLICT OF INTEREST

GRI 2–15

The Company is committed to prevent possible corporate conflicts through transparent corporate governance procedures and strict adherence to the code of corporate conduct. Potential conflicts of interest are prevented at all the management levels.

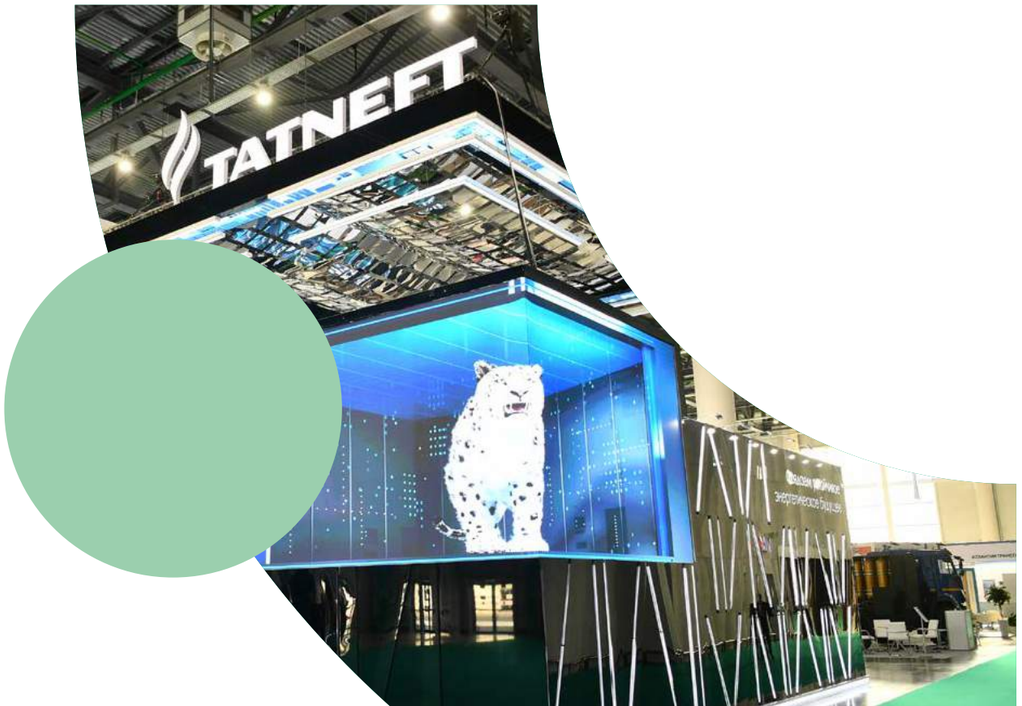
The Company's corporate governance system includes a framework of rules and procedures aimed at regulating and eliminating possible conflicts of interest between governance bodies and shareholders, as well as between the shareholders, if the conflict affects the interests of the Company, identifying and resolving all possible general and specific problems, related to the rights of shareholders at the level of the Board of Directors, executive bodies, Top managers and employees of the Company.

In the event of any corporate conflict, the Company takes all possible measures to resolve it and protect the rights and legitimate interests of shareholders, as well as other participants in the corporate relations.

The Company ensures disclosure of information about conflicts of interest in the event of occurrence thereof, including disclosure of information about related-party transactions.

In 2023, PJSC TATNEFT performed no transactions recognized as major transactions in accordance with Federal Law No. 208-FZ "On Joint-Stock Companies" dated 26.12.1995.

Report on major transactions and non-arm's length transactions of PJSC TATNEFT named after. V.D. Shashin in 2023



Managing Conflicts of Interest

The Company considers conflicts of interest as situations and circumstances in which the private interests of a shareholder, member of the management body or employee (their close persons and/or relatives) contradict or may contradict the interests of the Company and, thus, affect or may affect objective decision-making, for the proper performance of official duties, as well as those that could lead to harm to the rights, legitimate interests, property and/or business reputation of TATNEFT Group.

Prevention and resolution of corporate conflicts is part of the risk management policy and is secured by the Board of Directors. Particular significance is attached to independent directors who take measures to prevent and resolve conflicts between the Company and its shareholders, as well as minimize consequences and provide effective protection to shareholders in the event of a violation of their rights. The competence of the executive bodies of the Company to participate in the consideration and resolution of corporate conflicts is determined by the nature of the conflict.

- **Shareholders**
  The Company provides equal opportunities for shareholders to exercise their rights provided for by the applicable legislation. In addition, the Company organized work on interaction with shareholders, including clarification of the Company's standpoint at the request of shareholders.
- **Board of Directors**
  To prevent possible conflicts of interest among members of the Board of Directors, the Company has introduced certain restrictions and requirements for members of the Board of Directors. Thus, a member of the Board of Directors shall refrain from actions that will or may lead to a conflict of interest. The Chairman of the Board of Directors and independent directors monitor compliance with the mechanism to prevent a conflict of interests of members of the Board of Directors.
- **Executive bodies**
  The General Director, the Management Board members and key management personnel shall refrain from taking actions that could lead to a conflict of interest, and in the event of such a conflict, they shall notify the Chairman of the Board of Directors/ Chairman of the Management Board.
- **Employees**
  Prevention, identification and resolution of conflicts of interest of employees is carried out by introducing verification procedures when making personnel decisions, when hiring, when transferring employees to another job or assigning them to a new position.

In most cases, collaboration of close relatives in the Company is not prohibited, with the exception of collaboration of close relatives who are directly subordinated. Family relationships between the Company's employees shall not affect the performance of official duties or influence decisions.

The Company has established a permanent Commission that considers issues of conflict of interest settlement. The employee shall inform the Conflict Resolution Commission or the immediate supervisor in the event of personal interest or a conflict of interest.

Tools for Preventing Conflicts of Interest

- Making collegial decisions on the most significant issues
- Monitoring employees' compliance with job duties
- Clear delineation of responsibility and authority of employees.
- Ensuring the confidential information protection
- Corporate training on business ethics principles

ANTI-CORRUPTION POLICY

GRI 2–24, 3–3 SASB EM-EP-510a.2

Company's public position on anti-corruption

In accordance with the Convention of the Council of Europe "On Criminal Responsibility for Corruption," Federal Law No. 273-FZ "On Combating Corruption" dated 25.12.2008, Decree of the President of the Russian Federation No. 478 "On the National Anti-Corruption Plan 2021-2024" dated 16.08.2021 and the Anti-Corruption Policy of PJSC TATNEFT named after V.D. Shashin approved as amended in 2022, the Company strictly complies with the anti-corruption legislation of the Russian Federation, as well as the anti-corruption legislation of other countries where it operates, along the entire value chain.

The Anti-Corruption Policy defines the legal framework and key principles of anti-corruption, describes the measures taken by the Company to combat corruption.

Main objectives and goals of the Policy:

- preventing corruption
- investigating and reporting corruption offenses
- minimizing and eliminating the consequences of corruption offenses

Anti-corruption mechanisms:

- the guarantee of anonymity and the possibility of material incentives through monetary remuneration for reporting information
- holding an employee accountable regardless of the status
- implementation of a set of measures to prevent the emergence of conflicts of interest

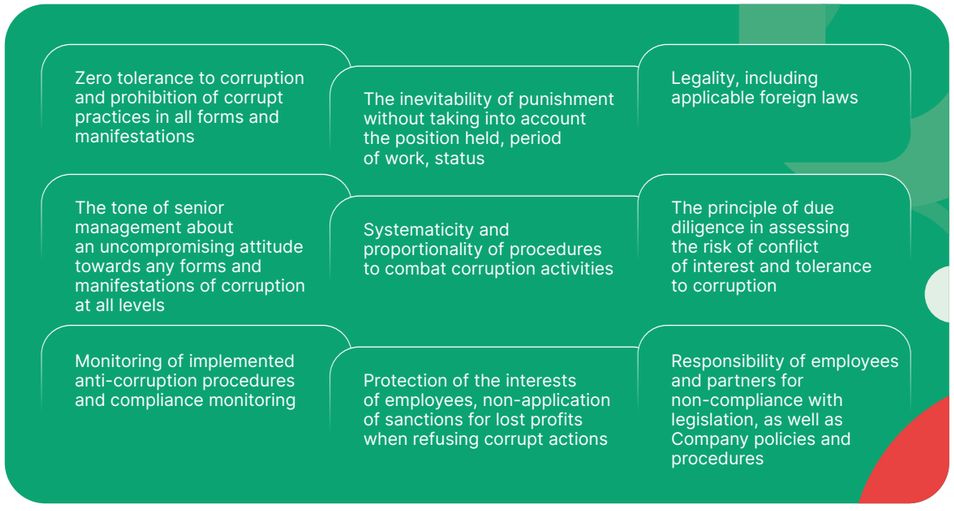
In order to improve and control the anti-corruption system, a commission was established, which included representatives from the supervisory units of the Company, which also made it possible to ensure transparency of anti-corruption measures.

Ways to report corruption:

- report to the immediate or superior supervisor
- report to the Hotline 24/7 communication channel
- contacting law enforcement agencies

The Company guarantees confidentiality to all Employees and other persons who in good faith report corruption risks and violations.

Principles of Anti-Corruption Activities


Zero tolerance to corruption and prohibition of corrupt practices in all forms and manifestations
The inevitability of punishment without taking into account the position held, period of work, status
Legality, including applicable foreign laws
The tone of senior management about an uncompromising attitude towards any forms and manifestations of corruption at all levels
Systematicity and proportionality of procedures to combat corruption activities
The principle of due diligence in assessing the risk of conflict of interest and tolerance to corruption
Monitoring of implemented anti-corruption procedures and compliance monitoring
Protection of the interests of employees, non-application of sanctions for lost profits when refusing corrupt actions
Responsibility of employees and partners for non-compliance with legislation, as well as Company policies and procedures

Informing Personnel about and Training in Anti-Corruption Methods

GRI 205–1, 205–2, 205–3

The Company informs employees and explains the principles and norms of applicable legislation and internal documents in the field of anti-corruption, including training on the basics of preventing involvement in corruption and explains its policy in this field to contractors.

The training of the employees is carried out in accordance with the approved plan, and the following advanced training courses on anti-corruption policy have been organized: "Economic Security of an Enterprise", "Information and Analytical Work of the Economic Security Service". In 2024, it is planned to develop a course on "Anti-Corruption Policy" at the Company's Corporate University.

When electing new members to the Board of Directors, the Company ensures that newly elected members are familiarized with a specially prepared brief presentation containing basic anti-corruption principles.

Anti-Corruption Efforts

The Company identifies, assesses and periodically reassesses corruption risks specific to its potentially vulnerable business processes, based on investment and strategic development plans.

The Company is continuously working to adjust the regulatory framework in combating corruption and its manifestations. In 2023, the regulations governing the principles and procedure for due diligence of buyers of goods, works and services according to economic security criteria were updated.

In order to protect the interests of the Company when concluding contracts with the winners of tender procedures, a mandatory condition is the inclusion of the "Anti-Corruption Conditions" section, which provides for liability for each violation of the accepted conditions.

The Code of Corporate Culture for employees of PJSC TATNEFT contains a provision on zero tolerance to corruption in any of its manifestations and a ban on employees engaging in any corrupt practices.

The standard for the application of disciplinary penalties provides for the dismissal of an employee for a failure to take measures to prevent or resolve a conflict of interest to which such employee is a party.

In 2023, the Company's Security Department performed due diligence with respect to 996 candidates for employment and transfer within TATNEFT Group. Based on the results of the due diligence, 74 candidates were given comments related to the candidate's unreliability or due to the presence of a conflict of interest, 28 candidates were denied employment.

As part of the implementation of regulations for the due diligence of suppliers and buyers of goods, works and services, full checks of 6,474 suppliers and buyers were carried out according to economic security criteria. Based on the results of the due diligence, 21 suppliers were assigned the status of "unreliable" and 195 counterparties were assigned the status of "conditionally reliable".

Continuous anti-corruption activities have ensured that the number of corruption cases has been minimized.

There is no information as regards public court cases initiated against the Company or its employees in connection with the imposition of liability measures for corruption offenses in 2023.

ANTIMONOPOLY POLICY

GRI 206–1 SASB EM-RM-520a.1

The Company operates in strict compliance with the antimonopoly state regulation, legislation, recommendations of the Federal Antimonopoly Service (FAS of Russia), and the best international practices. The Company follows the principles of competitive business conduct and provides for rules of conduct for employees aimed at preventing violations of anti-monopoly legislation.

The Company constantly improves the internal procedures aimed at alerting and preventing violations of the applicable anti-monopoly legislation, including training of employees in anti-monopoly regulation.

For the period from 2021 to 2023, the Company has not revealed any violations of the antimonopoly legislation, there are no significant fines.

CYBERSECURITY POLICY

GRI 3–3

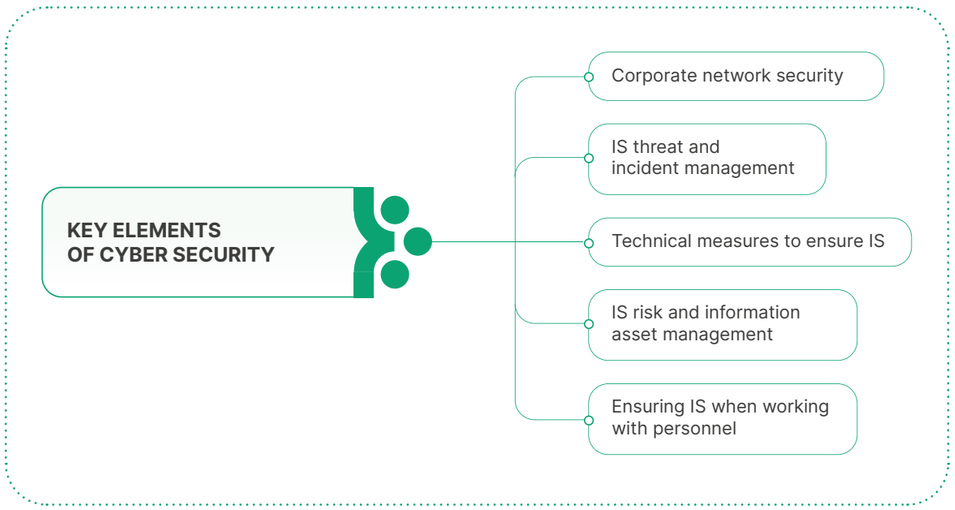
The Company's Cyber Security and Cyber Resilience Policy is aimed at ensuring sustainable and reliable protection of the information environment of TATNEFT Group throughout the entire value chain, all types of corporate assets, including sustainable security of critical information infrastructure facilities, an effective system for countering violations of the integrity and confidentiality of production data, protection of personal data and control of cyber risks.

In the context of the transition to digital transactions and increased electronic communications traffic, the Company takes a responsible approach to controlling the risks of intrusions into corporate information systems, which can damage the safety of assets, operating and financial activities. The Company takes measures to ensure a highly protected internal cybersecurity system and seeks to convey confidence in its quality to all the stakeholders.

The Company takes into account global cyber security challenges that pose potential risks and open up new opportunities in the development of information technology. The Company's key initiatives are based on analyzing the synergy potential of digital solutions and reducing operational risks.

Key aspects of cybersecurity activities:

- integration of information security processes and tools into digital transformation projects
- ensuring control of information security risks for continuous operations
- security of using new and advanced technologies
- improving the efficiency of cybersecurity functions
- ensuring sovereignty in technology


KEY ELEMENTS OF CYBER SECURITY
Corporate network security
IS threat and incident management
Technical measures to ensure IS
IS risk and information asset management
Ensuring IS when working with personnel

The Company conducts continuous monitoring and response to cybersecurity incidents in terms of ensuring integrity, availability and confidentiality of information resources of the TATNEFT Group. During 2023, the following activities were implemented:

- More than 2 million malicious emails containing prohibited and dangerous content were blocked by information security tools
- 5,290 information security incidents were identified and eliminated within the corporate network, 885 of them were high priority.
- More than 300,000 vulnerabilities have been identified and eliminated.
- 26,193 workstations were equipped with anti-virus protection equipment.
- 15 firewall systems with traffic filtering and cleaning functions were installed
- 3,687 employees completed information security training

To increase the awareness of the TATNEFT Group employees with respect to information security requirements, training on cyber security is systematically carried out.

INFORMATION SYSTEM

GRI 2–25, 2–26, 3–3

The Company effectively operates its Hotline, a system for reporting adverse impacts, through which an employee or an outsider can report on possible cases of unethical conduct, various violations related to the Company's operations, namely, professional activities, corporate governance and corporate ethics issues, respect for human rights, work schedule, social aspects, industrial and environmental safety, occupational health and safety, quality of products and services, corruption-related and other issues.

The Hotline principles are based on:

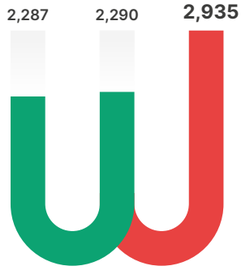
- confidentiality
- objectivity
- responsibility for taking action
- inadmissibility of any forms of pressure on whistleblowers

The Hotline supervisor is the Internal Audit Department, which directs the received requests to the relevant services and monitors corrective actions. All reports are considered and, if necessary, measures are implemented to improve the internal control efficiency, minimize possible adverse consequences, and inform stakeholders.

The regulated period for consideration of reports is 30 calendar days, with the exception of reports requiring immediate response or additional investigation. Whistleblowers having provided reliable information that allowed the Company to prevent or stop losses are given a monetary reward.

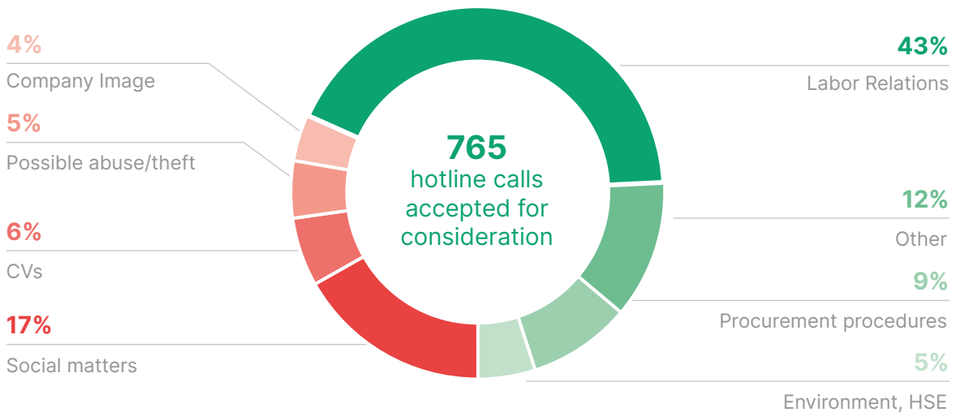
Information about the Hotline is posted on the Company's website, information stands of TATNEFT Group enterprises, pay sheets, protective clothing given to employees, etc.

Hotline calls, nubmer of calls



In 2023, the Hotline received 2,935 calls, of which 765 were accepted for consideration. The rest of the requests were not considered by the Company, since the same were not related to the Company's activities (spam, messages that did not contain sufficient and specific information for verification, duplicate requests, other information, not related to the Company's activities).

Topics of hotline calls, %



Based on the results of consideration of 765 accepted requests, checks were carried out on 576 requests, and on 189, consultations were provided and the supervisors of the relevant business lines of the Company were informed. Of the 576 investigations, 113 confirmed the stated facts, corrective measures were implemented, 14 employees were deprived of bonuses, disciplinary measures were applied to 3 employees, employment relations with 4 employees were terminated, and one individual was paid a monetary reward. 20 complaints were received regarding facts of adverse impact on the environment. Facts of 10 requests were confirmed and appropriate measures were taken.

The Company publishes the Hotline work reports on the website

Subjects of appeals	Investigated	Confirmed cases
Employment relations	277	34
Social matters	103	30
Procurement procedures	49	6
Abuse/Theft	38	8
Environment, HSE	37	13
Service quality at filling stations	49	18
Image risks	23	4
Total:	**576**	**113**

Appeals and complaints from external stakeholders and individuals are registered in the electronic document management system and submitted to the Company's management for consideration, and are considered within 30 calendar days from the date of receipt.

Inquiries and complaints are not sent for consideration to those Company officials whose actions are being appealed.

Channels for inquiries:

- Tel.: 8-800-100-4112;
- e-mail tn@88001004112.ru
- filling out the feedback form in the Hot Line section on the official website of the Company
- sending a message to the Corporate Social Network group Hot Line of PJSC TATNEFT
- by mail marked Hotline on the envelope to the official address of the Company

SUSTAINABLE DEVELOPMENT

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SUSTAINABLE DEVELOPMENT

ENERGY OF THE FUTURE

GRI 2-14, 2-24, 3-3

The Company is strongly committed to creating long-term value in publicly significant economic, environmental and social areas based on building effective and ethical relationships with stakeholders at each stage of its activities, taking into account reasonableness and adaptability, as well as evaluating the effectiveness of its contribution to sustainable development.

The Company considers the expectations of stakeholders and the impact that its activities have on its stakeholders, examines problems and opportunities based on a comprehensive approach to make the most effective business decisions that will ensure continuous sustainable growth.

From the very beginning of its activity, the Company has adhered to the standards of corporate responsibility, social and humanitarian values and has consistently improved the practice of sustainable development. To this end, the Company establishes appropriate internal procedures based on advanced international standards, a culture of integrity and adherence to generally accepted principles.

With a view to promoting sustainable development practices, the Company implements international standard ISO 37101:2016 (rev. 2022) "Sustainable development in communities — Management system for sustainable development — Requirements with guidance for use", "IDT".

The Company uses other compatible international standards, as well as national standards identical to the ISO series to build an effective management system for all aspects of sustainable development.

The principles of sustainable development are enshrined in the key regulatory documents of the Company, which provide a systematic approach to the integration of sustainable development aspects into the business processes of the TATNEFT Group.

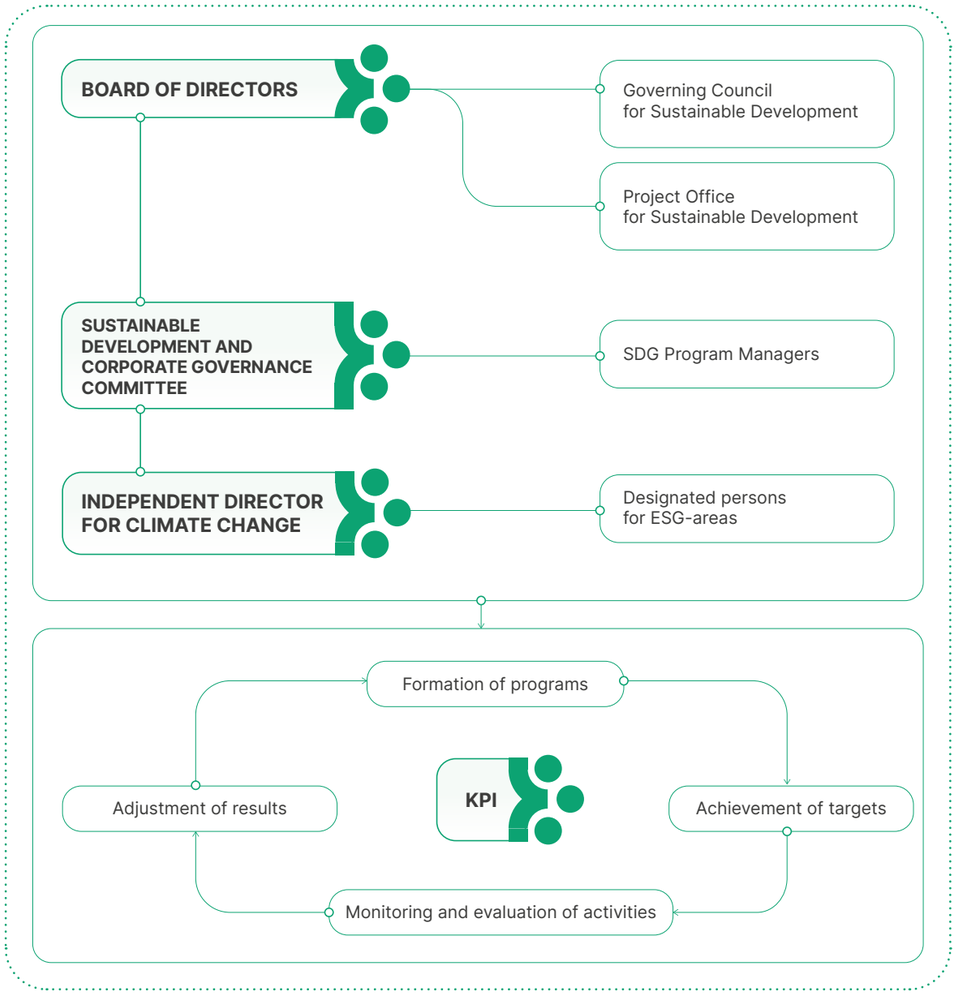
The Company position is that harmonious, efficient and sustainable development of business and society as a whole can only be achieved by maintaining a balance between economic, environmental and social aspects, expanding social partnership and responsible investment.

Sustainability and Stakeholder Engagement Policy

Sustainable Development Management

The work of the Company within the ESG agenda has enabled it to establish an effective sustainable development management system, to identify the priority areas for ESG transformation, to develop a roadmap and to build a system for monitoring sustainable development goals, as well as evaluating measures to achieve them.

The Company has built an organizational structure for sustainable development management, that facilitates the systematic management of the ESG transformation process, including the cascading decisions of the Board of Directors further along the management system to business divisions and employees.

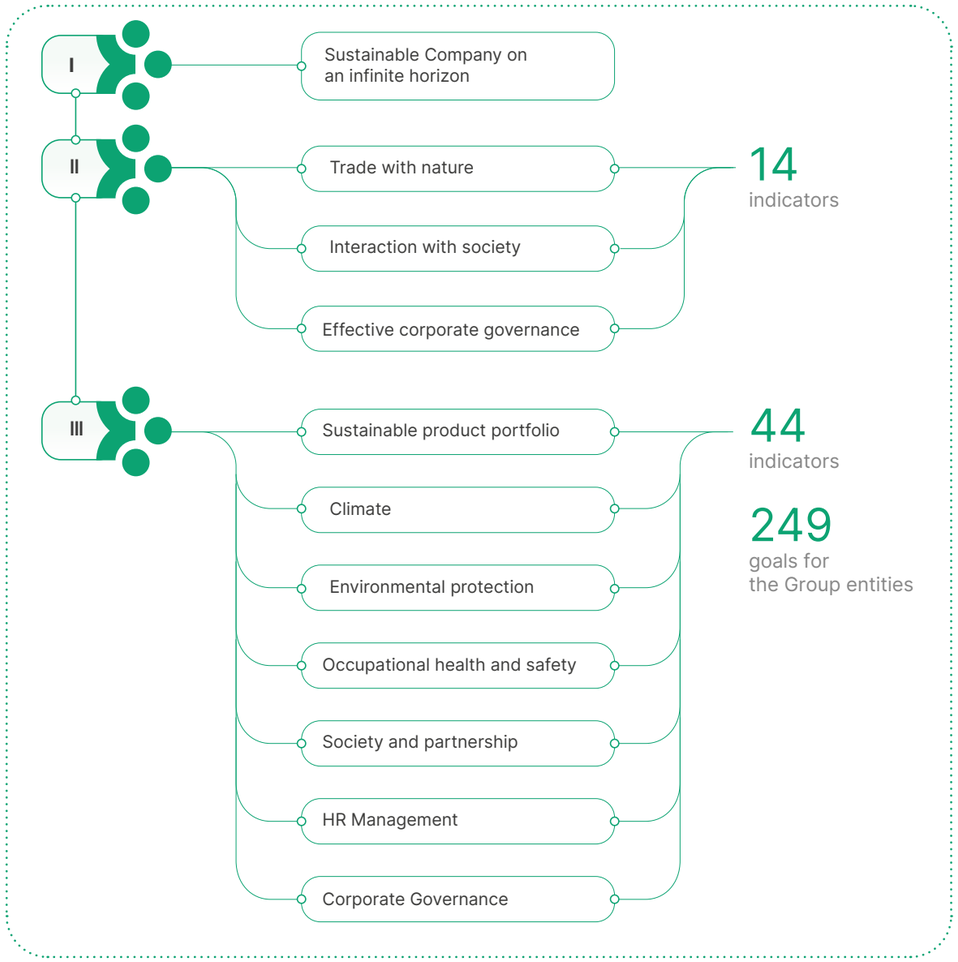


The formed system provides operational management of a portfolio of projects and tasks to achieve goals, monitoring of progress achieved and timely adjustment of actions and approaches, including consideration of the results of monitoring trends in sustainable development.

One of the key attributes of a sustainable company is the integration of the ESG agenda into strategic, investment, medium-term business and operational planning processes, as well as into the motivation system, which allows involving all employees of the Company in the sustainable development management, which increases the likelihood of achieving goals and reduces the Group's risks. The Company's responsible attitude to value creation is transmitted throughout the supply chain to our contractors, customers and partners.

The Board of Directors approved the metrics-based ESG process management system. The consolidated map of key ESG goals is integrated into the corporate monitoring and control system and is divided into three interrelated levels with measurable indicators. The first level Goal, "Sustainable Company on an infinite horizon", is cascaded to the second level Goals of 14 metrics grouped in the areas of "Trade with nature", "Interaction with society" and "Effective corporate governance". The third level Goals are provided by further breakdown of the second level metrics into seven units.

The KPI maps of key management personnel of the Company include indicators related to the achievement of sustainable development goals. The main monitoring and control tools are defined: strategy, business plans, KPI system for remuneration at the end of the year,



process and project management, investment projects. Monitoring of the implementation of sustainable development indicators at the end of 2023 compared to 2022 shows an improvement, which indicates positive changes in environmental protection and safety. The introduction of evaluation of aspects of sustainable development into the motivation system is disclosed in the Integration of the Sustainable Development Goals section.

Openness to stakeholders

GRI 2-29

In order to inform stakeholders, increase investment attractiveness, improve positions in ratings based on timely and full disclosure of information about the Company's activities, the Company actively uses traditional and digital communications to promote the ESG agenda, which allows it to reach all target audiences. Digital tools help to determine the level of audience engagement, assess the tone, the level of loyalty to the Company's ESG projects. Feedback helps to identify the most relevant topics and adjust further actions in promoting ESG topics. The most popular information channels for stakeholders are involved, such as: the Company's website, telegram channel, groups in social networks, local, regional and federal media, corporate social network, information screens at the enterprises of the TATNEFT Group.

A standard for the preparation and disclosure of quarterly reports on the main indicators has been developed and approved, which determines the composition and volume of information to be disclosed in the field of environmental, social and corporate governance, the timing of disclosure of this information and the persons responsible for its preparation and disclosure. An automated process of collecting and processing ESG indicators of the TATNEFT Group has been implemented, and these indicators are published quarterly on the Company's website.

DataBook ESG indicators

Telegram channel: @TATNEFT_TELEGRAM

The Company's Press Center

VKontakte Group

HUMAN RIGHTS

GRI 2-2, 2-23, 3-3 SASB EM-EP-210a.3, EM-EP-210b.1

The Company conducts its activities in accordance with the generally accepted ethical standards and values, based on the recognition of the importance of observance of the fundamental equal human rights proclaimed by the UN Universal Declaration of Human Rights.

The Company is strongly committed to ensuring that everyone is entitled to all the rights and freedoms proclaimed, including the right to work, the right to a favorable environment, the rights of indigenous minorities and special groups of the population, without any distinction, regardless of race, color, sex, age, language, religion, political or other beliefs, national or social origin, disability, property, class or other status, as well as equal opportunities for women and men, excluding any forms of harassment or discrimination in the field of labor and employment.

Company's Commitment and Position Regarding Human Rights

The main position and approaches of the Company regarding human rights are reflected in the Human Rights Policy, approved for the first time by the Board of Directors on 22.12.2023 (Minutes No. 8). The Human Rights Policy is posted on the Company's website and is available to all the stakeholders. The Company brings the Policy to the attention of all suppliers, contractors, business partners and other stakeholders, and it also takes necessary and sufficient actions to enforce integration of all principles and methods of respecting human rights established by the Policy into the activities of all enterprises of the TATNEFT Group and application to all the stakeholders involved in the activities of the TATNEFT Group.

Documents containing commitments regarding human rights:

- Human Rights Policy
- Policy on Sustainable Development and Interaction with Stakeholders
- Corporate Governance Code
- Corporate Culture Code
- Policy in the field of occupational health, safety, and environment, taking into account climate changes
- Policy on interaction with the local population leading a traditional way of life, preserving the ecosystem of territories of traditional nature management and the traditional way of life of the local population living in the areas of activity of the TATNEFT Group.
- Collective agreement

The Company makes every effort to prevent any adverse impact on human rights associated with its activities, products or services, business relations, as well as with the preservation of the social and cultural identity of the peoples living in the territory of the TATNEFT Group enterprises.

The Company has historically recognized the importance and value of fundamental human rights and freedoms proclaimed by the United Nations and throughout its activities has responsibly shared the principles of human rights, labor relations and anti-corruption efforts, reported in international declarations and conventions.

The Company recognizes and respects the rights of each employee to collective representation, association of employees into trade unions, and collective bargaining. The Company assesses its activities in the field of human rights in the course of regular assessment of corporate practices, including in the form of self-assessment of the Company's management bodies.

The Company's services and divisions that are directly related to the personnel management, security, and anti-corruption activities are trained in human right aspects. Employees of the Company, including the services related to the personnel and security management activities, are continuously involved in the procedures regarding human rights aspects and regularly take appropriate training. At the Corporate University, the Company plans to develop human rights education with the involvement of employees of the Company's contractors and suppliers.

The Company uses its best endeavors to prevent any adverse human rights impacts that is directly related to its business activities, products or services, business relations, as well as to preserve the national cultural identity of ethnic groups inhabiting the regions of the Company's operations, and takes all available measures to eliminate the consequences of such an impact, should it happen.

In its activities, PJSC TATNEFT shares the principles of civilized labor relations, fundamental human rights and freedoms.

Human Rights Policy

Instruments for monitoring compliance with human rights

- The Company has implemented a mechanism of appeals, with the help of which users can report, among other things, violations of human rights — the "Hot Line". The Ethics Committee considers received appeals.
- Compliance with employment and remuneration processes in accordance with the country's labor laws and corporate regulations, as well as management systems related to non-discrimination, is systematically audited.
- The Company periodically assesses the moral and psychological climate of the workforce. The assessment includes the level of satisfaction of employees with working conditions, the amount of remuneration, social security, and identifies key aspects of labor activity.
- Procedures for assessing the impact of production activities on environment and the effectiveness of health and safety measures are constantly conducted.
- The Company implements the principles of corporate liability for the conservation of the ecosystem of territories of traditional nature management and the traditional way of life of the local population, enshrined in internal documents.
- The right of workers to freedom of association and collective bargaining to protect labor rights is exercised by Tatneft Profsoyuz Interregional Trade Union Organization of the All-Russian Trade Union of Oil and Gas Industry and Construction Workers.

Information about cases of discrimination (by gender, age, citizenship, religious beliefs, etc.)

	2021	2022	2023
Number of cases	0	0	0
Coverage, % of the number of staff	100%	100%	100%
Number of enterprises of the TATNEFT Group	119	126	122

The share of security personnel trained in human rights policies or procedures is 27%.

PERSONNEL

ENERGY OF THE TEAM

GRI 3-3, 406-1, 408, 409

The Company recognizes the importance and value of fundamental human rights and freedoms in the world of work: freedom of association, the right to conclude collective agreements, labor rights and the right to health care.

The full functioning and stable development of the Company is the merit of its employees only. The high level of the competence of employees, their commitment to corporate values, responsibility and integrity are the key to successful activities and development of the Company. A competently implemented corporate culture helps to create a cohesive business team — professionals aimed at achieving the goals set by the Company's management.

The Company is a responsible employer, provides high-quality and safe working conditions at all enterprises of the TATNEFT Group, adheres to the principle of gender equality and equal opportunities, maintains a decent level of remuneration and provides reliable social guarantees to employees and social support to their families.

The Company pursues an honest, fair and open policy towards its employees. The opportunity for professional and career growth is provided to all employees and career growth depends primarily on the level of development of competencies and personal performance indicators. The Company makes its best to create an effective system of financial and non-financial remuneration of employees, which allows assessing objectively the contribution of each employee, to attract the most qualified employees, to stimulate the development and professional growth of employees.

Management System

The principles of the Company in personnel management are based on maintaining a working environment without restrictions on national, gender, age, religious and other grounds. Taking care of the population living in the region of presence is one of the priority tasks. The Company is committed to developing an inclusive environment for people with disabilities in the workplace and in the infrastructure of cities and towns.

In matters of personnel management, the Company follows the norms of Russian and international law and does not use forced, compulsory or child labor. Child labor is never and under no circumstances used by the TATNEFT Group. The Company assesses its activities in the field of human rights in the course of regular assessment of corporate practices, including in the form of management self-assessment.

The personnel management system is regulated by the following documents:

- Human Resources Policy
- Comprehensive assessment standard for personnel of the TATNEFT Group
- Standard for training and development of personnel of the TATNEFT Group
- Personnel Adaptation Standard
- Personnel Certification Standard of PJSC TATNEFT
- Standard of work with the personnel reserve in PJSC TATNEFT
- Regulations on the management of the basic remuneration of employees of PJSC TATNEFT
- Collective agreement of PJSC TATNEFT

The HR management strategy of the TATNEFT Group until 2025 includes current trends and challenges, targets and strategic priorities. The strategy provides for:

- implementation of activities and projects aimed at improving the efficiency of recruitment, recruitment and staff development processes;
- strengthening compensation programs, benefits and guarantees;
- increasing the staff satisfaction and engagement;
- managing the competencies of employees taking into account technological changes and new challenges.

The main goal of the strategy is to meet the needs of the business, maintaining a balance between achieving production indicators and preserving human capital.

The most important link in the Company's HR strategy is the educational cluster, which includes schools, vocational schools, universities and research centers.

3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
8 DECENT WORK AND ECONOMIC GROWTH
11 SUSTAINABLE CITIES AND COMMUNITIES

Responsible employment

The Company implements a risk-oriented personnel management policy. At all stages of interaction between the employer and the employee, the leveling of risks associated with the search and selection, hiring, appointment to senior positions, and staff training is governed by local regulations.

In order to ensure the continuity of production due to the possible risk of a shortage of qualified personnel, network schedules are formed monthly for hiring personnel for existing or planned vacancies, especially for large-scale projects. Network schedules are updated taking into account changes in the labor market, geopolitical conditions and other factors.

At the stage of recruitment and hiring in the Company, each candidate undergoes an assessment covering several criteria:

- assessment of the candidate's qualification compliance with the requirements for the position,
- assessment of professional knowledge, skills and abilities,
- verification of the candidate's trustworthiness.

The appointment of candidates for vacant managerial positions additionally includes a professional and psychological assessment of the candidate.

Employee Loyalty and Satisfaction Index

The study of staff satisfaction is one of the most effective tools for identifying the values and preferences of employees, the risks of social tension, conflicts in labor collectives. The priority goal of the study is the ability of employees to assess most honestly various aspects of everyday life, such as the organization of the current activities of the enterprise, the level of wages, career opportunities, the climate in the workforce, relationships with management, and others.

The study of staff satisfaction makes it possible to understand what needs to be improved, to assess the internal state of employees, to study incoming proposals to improve business processes, to reduce the risks of social tension and conflicts in labor collectives.

Employee Loyalty and Satisfaction Index

	Integral Satisfaction Index*	Net Loyalty Index (eNPS)**, %
2021	68.5	30
2022	68.5	35
2023	69.3	37

* the indicator characterizes the internal state of an employee who is ready to take the initiative and make significant efforts to achieve high results, satisfied with various aspects of work, involved in the life of the enterprise and sharing its values.

** the indicator characterizes the net loyalty of employees and allows assessing their satisfaction with the company they work for. The index shows whether employees are satisfied with their work at the enterprise and whether they are set up for joint development or are disappointed with cooperation and are ready to move to another employer as soon as a more profitable offer appears on the market.

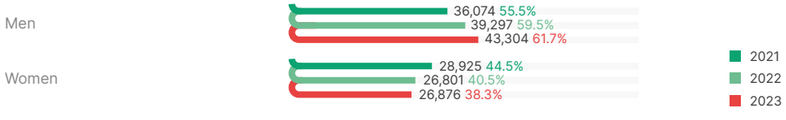
Structure

GRI 2-7, 401-1, 405-1

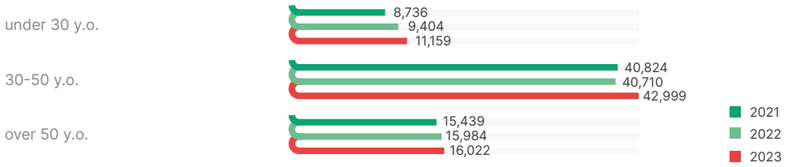
The increase in personnel in 2023 is associated with the expansion of service assets, acquisition of tire business assets and retail network expansion, the creation of a single center of IT process competencies, an increase in well logging surveys and the introduction of new services, the launch of new technological units into commercial operation.

Average headcount, persons

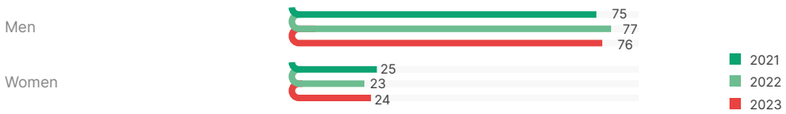
by gender, people



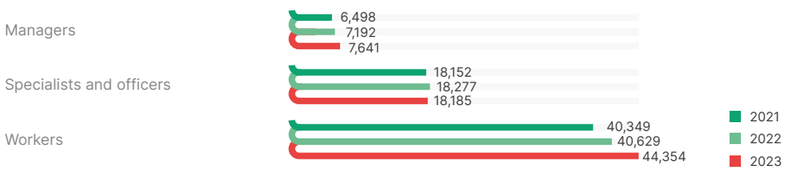
by age group, people



by management structure (managers),%



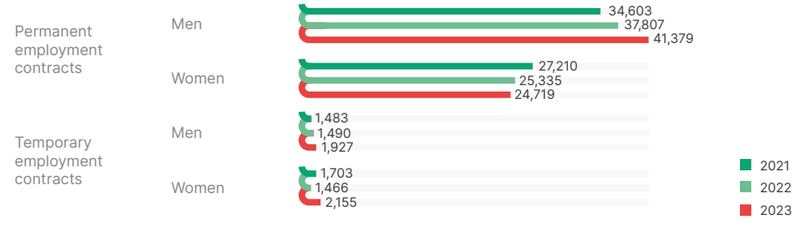
by categories of employees, people



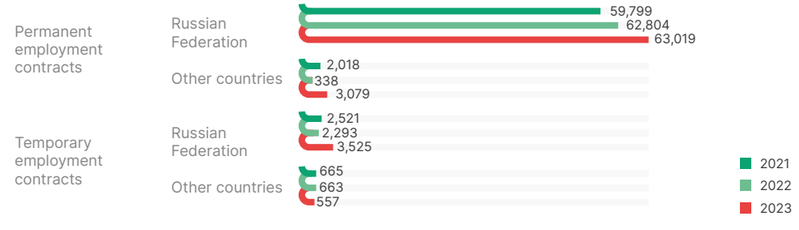
The proportion of people working under civil law relations is 1.2% of the TATNEFT Group's headcount.

A significant redistribution of personnel in 2023 by structure (gender, age, categories, regions of presence) is associated with significant changes in the structure of production and service assets, where types of work related to difficult working conditions prevail.

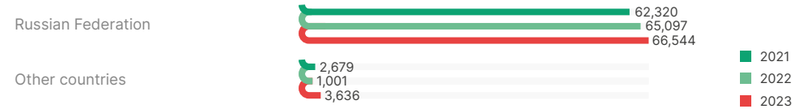
by type of employment contracts, broken down by gender, including part-time employees, people



by type of employment contracts, broken down by countries of activity, including part-time employees, people



by country of activity, people



Every year, the enterprises of the TATNEFT Group create jobs for people with disabilities, and also comply with the requirements for organizing appropriate working conditions. In 2023, in accordance with the established quotas, the Company allocated 115 places for the employment of people with disabilities, including 2 specialized workplace. The quota was fully fulfilled as part of the employment of persons with disabilities.

Employees with disabilities, people

	Male	Female
2021	387	257
2022	306	218
2023	345	255

Staff turnover, %

2021	12
2022	12
2023	12

Hiring new employees by gender, people

	Men	Women	Total
2021	8,074 (12%)	6,389 (10%)	14,463 (22%)
2022	9,482 (14%)	5,964 (9%)	15,446 (23%)
2023	10,680 (15%)	5,811 (8%)	16,491 (24%)

Hiring new employees by age group, people

	under 30 y.o.	30-50 y.o.	over 50 y.o.	Total
2021	4,145 (6%)	7,944 (12%)	2,374 (4%)	14,463 (22%)
2022	5,209 (8%)	7,933 (12%)	2,304 (3%)	15,446 (23%)
2023	5,792 (8%)	8,259 (12%)	2,440 (3%)	16,491 (24%)

by country of activity, people

	Russian Federation	Other countries
2021	13,456	1,007
2022	15,374	72
2023	16,251	240

Information will not be provided this year owing to: Due to the lack of a unified methodology and criteria for selecting data for calculating this indicator, as well as technical limitations of accounting personnel systems, it is currently not possible to collect reliable data. We suggest deleting this item. (For GRI table)

In accordance with the legislation of the Russian Federation, the Company provides equal rights for women and men to use childcare leave with the possibility of getting back from it to the same position as at the time of taking the specified leave. In accordance with these opportunities, the prevailing number of employees who previously took childcare leave return to the workplace.

Remuneration

GRI 202-1, 405 – 2

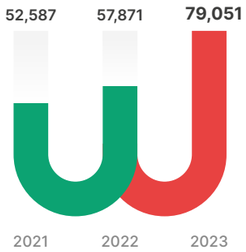
Remuneration is a key part of the personnel incentive system, which allows the Company to remain highly competitive by attracting and retaining qualified and motivated employees.

The Company's policy in the field of remuneration and motivation of personnel is based on the following approaches: competitiveness, fairness, targeting, efficiency, unification, focus on results.

Any decision to increase the wages of the Company's employees is based on the following indicators: the level of the corporate budget of an employee of the Company, the consumer price index (the level of inflation), the minimum consumer budget in the region, the level of wages in other companies in the industry, and the increase in labor productivity of the Company.

The personnel basic income is formed from wages and employment benefits. Wages include a tariff-based (fixed) part, according to the Unified Rate Schedule, and bonus-based (variable) part. The employment benefits provide employees with a relevant scope of medical and other social guarantees.

Payroll fund, RUB mln



Ratio of the average monthly salary of the Company to the average monthly salary in the region of activity

	Men	Women
2021	1.58	1.13
2022	1.59	1.11
2023	1.67	1.14

Average monthly salary in the region of activity, RUB

Average monthly salary of the Company's employees, RUB

Average monthly salary of the Company's employees, RUB

Calculation of revenue per employee

	2021	2022	2023	2023/2022 +/- (%)
Average headcount, people	51,528	61,869	65,751	3,882 (106)
Net revenue with intra-group turnover, RUB million	1,293,519	1,574,211	1,838,553	264,343 (122)
Revenue per employee, RUB thousand/ people	25,103	25,444	27,962	2,518 (110)

The increase in revenue in 2023 by RUB 264.3 billion (22%) compared to 2022 is due to an increase in sales of oil products, reorientation to new product markets and the most efficient logistics routes, as well as an increase in the scope of services.

Average monthly salary of employees broken down by category and gender, RUB, MSO*

Average monthly salary of white collar employees, male, ₽

Average monthly salary of white collar employees, female, ₽

Average monthly salary of blue collar employees, ₽

* MSO — managers, specialists, officers

Average monthly wages of blue-collar workers, male, ₽

Average monthly wages of blue-collar workers, female, ₽

Ratio of the average monthly salary of women to men

	Total	MSO	Workers
2021	0.71	0.60	0.78
2022	0.70	0.61	0.74
2023	0.68	0.56	0.73

Minimum average monthly salary, RUB

Minimum average monthly salary of the Company's employees** (men, women, total), RUB

Ratio of the minimum monthly wage guaranteed by the Company to the minimum salary

	Men	Women
2021	1.08	1.08
2022	1.81	1.81
2023	1.72	1.72

** with full working out of the norms of time and performance of labor duties

*** minimum wage rate for Category 1 workers has been increased

Social security of employees

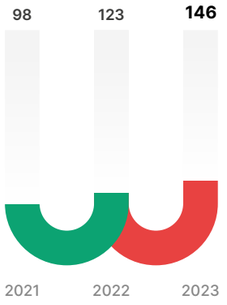
GRI 201-3 403-6, 403-7

The Company cares about the welfare and social security of its employees and their families. Employees are provided with an expanded package of social benefits and guarantees, in comparison with the current legislation, there is social protection for young workers and support for veterans and pensioners. Obligations to ensure them are enshrined in the Collective Agreement.

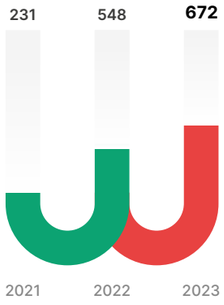
Social payments to employees, RUB mln

Social payments to employees, RUB mln (according to Collective Agreement)

Social payments to non-working pensioners, RUB mln (according to Collective Agreement)



Non-state pension provision, RUB mln



15 990 ppl

Number of retirees receiving non-government national pension

RUB 590,6 mln

Payments of non-state pensions to retiree of the Companies through JSC (NNPF)

RUB 12,2 mln

Size of financial assistance to retirees in 2023

Non-state pension provision

One of the most important areas of the Company's social policy is a non-state pension provision for employees. The pension program is based on the principle of social partnership, in accordance with which the Company and its employees form a future corporate pension by joint efforts on a parity basis. The number of employees involved in the corporate program of non-state support is 15 859 people.

The number of pensioners receiving non-state pensions is 15 990 persons. Payments of non-state pension to pensioners of the Company through JSC National NPF (NNPF) amounted to RUB 590.6 mln. Non-working pensioners who retired before the establishment of NNPF receive quarterly financial assistance. The amount of financial assistance to such pensioners in 2023 was RUB 12.2 mln, the number of pensioners amounts to 2,000 people.

VHI coverage*, people

Corporate programs and activities to promote the health of employees and their families

Voluntary health insurance program for employees

The Company pays special attention to the provision of measures to preserve the health and life of people, preventive measures, as well as the provision of high-tech medical care. The Voluntary Health Insurance Program (VHI) provides for the provision of services to employees beyond the Program of state guarantees for the provision of free medical care to citizens of the Russian Federation. In accordance with the VHI agreement, the insured employees are provided with medical services under 4 programs:

- Outpatient Services
- Inpatient Services
- Rehabilitation Treatment
- Comprehensive Medical Care

Services under the VHI program*

Services	Number of cases
Outpatient care	81,925
Inpatient care	713
Examination after medical examinations and Prophylactic observation	5,068
Medical procedures	870
Medical examinations under the Men's Health, Women's Health programs	21,682
Tick-borne encephalitis vaccination	2,368
Examination and treatment under the Vertebroneurology program	444
Rehabilitation Treatment	265

Health resort therapy and recreation

centers is based on an integrated treatment approach and the use of modern rehabilitation techniques. There are rehabilitation programs developed for the treatment of viral pneumonia, cardiovascular diseases, and disorders of the musculoskeletal, peripheral, and central nervous systems. Health care treatment is available both to employees and members of their families, and to other persons, including benefit-entitled citizens, citizens who need rehabilitation treatment on therapeutic grounds, and children. In 2023, RUB 575 mln were allocated for health resort therapy of employees.

There are also programs for children's health improvement and recreation. For 2021-2023, about 28,000 children rested in children's health camps.

* Information on PJSC TATNEFT

RUB 575 mln

Allocated for resort health improvement of employees in 2023

28 000 kids

Rested for the period 2021–2023 in children's health camps

RUB 88,4 mln

Allocated for resort rehabilitation of unemployed retirees, and old timers

The Company has 8 health care and recreation centers. The work of the health care centers is based on an integrated treatment approach and the use of modern rehabilitation techniques. There are rehabilitation programs developed for the treatment of viral pneumonia, cardiovascular diseases, and disorders of the musculoskeletal, peripheral, and central nervous systems. Health care treatment is available both to employees and members of their families, and to other persons, including benefit-entitled citizens, citizens who need rehabilitation treatment on therapeutic grounds, and children. In 2023, RUB 575 mln were allocated for health resort therapy of employees.

There are also programs for children's health improvement and recreation. For 2021-2023, about 28,000 children rested in children's health camps.

Health resort therapy of non-working pensioners and veterans of the Company is organized. For 2021-2023, RUB 88.4 mln were allocated (in 2023: RUB 32.1 mln).

Epidemiological activities

The Company has introduced and worked out special measures to counter infection and ensure continuous safe production. The Company has created an automated platform for monitoring and analyzing the health status of personnel and providing them with personal protective equipment, which allows controlling the risks associated with the spread of infections.

All employees of the Company can be promptly provided with individual protective equipment by organizing their own production of preventive and protective equipment. On the basis of medical institutions, the Company has created its own PCR laboratory and an ELISA laboratory.

Caring for employees and the environment

- TATNEFT considers it important to take care of both the physical and mental health of its employees, consciously investing in this area and considering it as its main asset. Due to the personal initiative of the General Director of the Company, the employees of the Company in Almetyevsk have the opportunity to devote their time to the practice of Qigong. Classes are held regularly at no cost.
- High-quality and tasty food is crucial for maintaining the health of employees. Hot and fresh food is provided to more than 12,000 people a day in the Company's canteens located in 8 districts of the Republic. The canteens' menu offers well-balanced organic dishes enriched with vitamins and minerals. With a view to improving the quality of catering and services, a regular study of visitor demand and satisfaction is carried out through surveys, measures are being taken to expand the range and improve the quality of dishes, thematic days and events aimed at promoting healthy nutrition are organized in the team. A healthy eating blog is maintained in the corporate social network.
- Two offices of the Company in Almetyevsk have been audited for compliance with energy and water efficient, environmentally friendly requirements of the standard and compliance with the high quality of internal comfort. The offices offer a rich infrastructure within walking distance; year-round bicycle parking is organized, and entrances to the office are integrated into the citywide network of bicycle paths; a barrier-free environment has been designed and implemented in the building for representatives of people with limited mobility. Health check areas have been created for employees, there is a medical room, comfortable recreation and sports areas have been organized. Green spaces are arranged in the interiors, which are equipped with eco-friendly furniture, eco-friendly materials are used for finishing, tinted glass is used on the facade. A drinking water purification system is installed, and acoustic suspension solutions made it possible to reduce the noise level in the open space.

1.033 mln m²
Total area of the commissioned housing

15
settlements of the Republic

RUB 2.6 billion
contribution for employees

"Green" offices are an example of understanding the Company's commitments in terms of respecting nature and saving resources, as well as in relation to the welfare and health of its employees

Housing policy

Support to employees in improving housing conditions is one of the important directions of the Company's social policy and a contribution to the implementation of SDG—11 to ensure universal access to adequate, safe and affordable housing.

The Company is an active participant in the social mortgage housing construction program in the Republic of Tatarstan. From 2005 to 2023, according to this program, 137 blocks of flats (15,313 apartments) were built in 15 settlements of the republic, as well as 54 individual residential buildings.

To pay the initial payment for housing, the Company allocates an interest-free cash loan to employees in the amount of up to 30% of the cost of housing. Over the entire period of the social mortgage program, more than RUB 2.6 billion were contributed to the State Housing Fund of the Republic of Tatarstan to pay an initial contribution for employees.

Young employees' social support

The Company traditionally pays great attention to addressing social issues of young people. There are programs to provide interest-free loans to families of young employees for the purchase of furniture and essential goods, and families of young employees have priority in the distribution of housing under the social mortgage program (in 2005-2023, 5,118 families of young employees received apartments under the mortgage lending system, i.e. 33% of the total housing commissioned). In 2023, 530 families of young employees received an interest-free loan, 148 families received apartments under the social mortgage program.

Social security

GRI 402-2

In order to strengthen social protection, the Company additionally, in accordance with the Collective Agreement, provides a monthly payment to an employee who is on childcare leave until a child reaches the age of three years and one free day a month or twice four free hours (at the employee's choice) of working time paid at the expense of the employer, with the preservation of the average monthly wage for women with children under 16 inclusive (disabled children under 18 inclusive).

These benefits are not available to temporary or part-time employees.

GRI 402-1

The Company operates in strict accordance with the Labor Code of the Russian Federation, which establishes a minimum period for notifying personnel regarding significant changes in the activities of the organization: no later than two months before the start of the relevant events, and if the decision to reduce the number or staff of employees may lead to their mass dismissal, no later than three months before the start of the relevant events.

Education and development

GRI 404-1, 404-2, 404-3, 410-1

An efficient system of formation and maintenance of the required level of personnel qualification provides the Company with long-term employee loyalty. The main objectives of the Company's personnel training system are to create conditions that allow employees to achieve their maximum potential in their work and ensure continuous improvement of their professional and managerial competencies.

The Company complies with the requirements of the legislation of the Russian Federation, including in the field of compulsory types of training. In order to form a unified approach to the implementation of mandatory state requirements for the level of personnel training, a project is implemented to develop a List of Compulsory Training Programs for the Company's employees. The personnel training system is improved, including work with educational institutions of vocational education, the Personnel Training Center, and the Corporate University. The Company participates in the formation of professional standards, is the initiator of the opening of the Regional Oil and Gas Complex Qualification Assessment Center. New methods for assessing the competencies of employees are introduced with the integration of the assessment results into the further development of each specialist and manager.

>63,000

employees trained

RUB 419 mln

training costs

The process of personnel training in the Company is based on the needs of business and includes the following tools and directions of development:

:

tools of development:

- target development programs
- unified training and development platform
- talent pool and professional skills competitions, hackathons

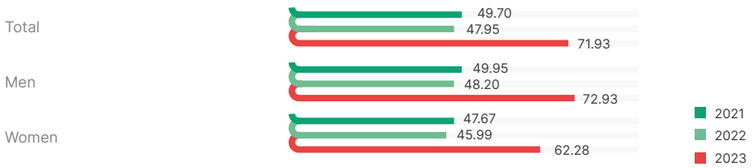
directions of development:

- basic training in the main working professions
- compulsory training
- professional retraining
- development of professional skills
- development of general corporate and managerial competencies
- bachelor, master and postgraduate training

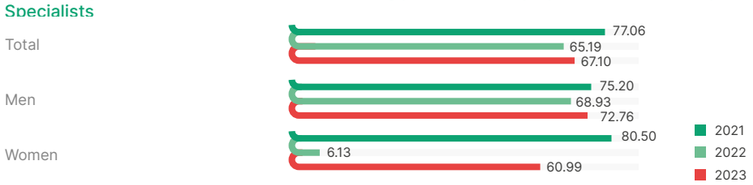
Since 2017, the following professional standards have been introduced:

42	51	47
mandatory	recommendatory	corporate

The average annual number of hours of training per trained employee, broken down by category and by gender
Managers



The average annual number of hours of training per trained employee, broken down by category and by gender
Specialists



The average annual number of hours of training per trained employee, broken down by category and by gender
Officers

Employee training expenses

Employee Pool

3,400 employees

employee Pool

The sustainable development of any company directly depends on the availability of an effective system for the formation of an employee pool. Tatneft has advanced planning processes in terms of training key specialists and managers. In order to create and maintain the human resources potential of business assets, the task of HR management is to ensure timely and high-quality turnover of managers.

Since 2017, the Company has been forming an end-to-end personnel reserve, in which managerial positions are divided into three categories. To create an employee pool, a comprehensive personnel assessment is carried out, according to the results of which operational and prospective an employee pools are formed. Each candidate receives feedback and an individual development plan. Employees who have passed a comprehensive personnel assessment are enrolled in training under corporate programs, depending on the level of the position.

Corporate training programs are aimed at the development of corporate and managerial competencies, individual development plans also include measures to develop professional and digital competencies of an employee.

In 2023, 672 employees passed a comprehensive assessment. 29 people were appointed to senior positions based on the results of a comprehensive assessment and from the employee pool. The proportion of appointments of candidates to managerial positions of the Company from the talent pool at all levels is 76.6%.

Corporate University activities

The Corporate University is the main educational platform of TATNEFT, which systematically organizes the process of training and development of employees to ensure the implementation of the Company's strategic objectives.

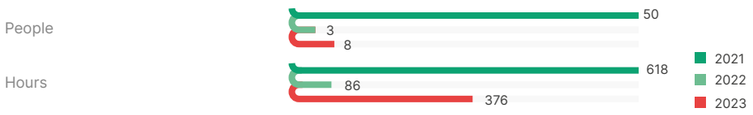
For 8 years of activity, the Corporate University has gone through the path of training transformation together with the employees of the Company. Previously, most of the internal requests for training were associated with full-time courses as part of the implementation of individual development plans. Since 2018, targeted educational programs and applications for training from business units and business areas began to appear. For the last two years, the University's activities have been aimed at personalizing training, targeted development of skills, joint solution of complex tasks, and systemic target training. This indicates that employees perceive training as one of the means to increase the speed and efficiency of solving problems in new conditions.

Corporate University

- On-site training courses — 32
- Remote training courses — >70
- Professional retraining programs — 8
- On-site training — >3,500 people
- Remote training — >63,000 people
- Individual development plans — >1,300 people

To develop the competencies in the field of business administration of managers, business analysis skills, 8 targeted educational programs of professional retraining are implemented. In 2023, 304 employees completed training, 319 employees will continue training in 2024. In 2023, the Production Manager-2030 target educational program was developed. The first stream of listeners amounted to over 60 people.

Training of security personnel in human rights policies or procedures



Specialists of the Corporate University have developed 2 state professional standards and 20 job descriptions; 4 corporate professional standards have been introduced; an examination of 66 professional standards of the Russian Federation and 19 appraisal tools (oil and gas industry) has been conducted.

A 360-degree assessment of 1,340 employees was carried out. Following the comprehensive personnel assessment, 695 employees of the TATNEFT Group were provided with feedback/advice on the individual development plan formation.

Large-scale work is underway to introduce a culture of self-learning organization. More than 80,000 users are connected to the Unified Training and Development Platform.

The Company pays great attention to the development of comprehensive command of foreign language in specialists and managers, which would be used in their work and participation in foreign projects. During 2023, more than 150 employees were trained in English courses, and 21 employees in Turkish courses. Employees receive incentive payments for using foreign languages in their work.

As part of the implementation of projects with the involvement of state support, retraining and advanced training of 64 employees of the Company has been organized under the most popular programs. The amount of funds raised for state support in 2023 amounted to more than RUB 3.2 mln.

Youth development

An important element of the Personnel Management Policy in the Company is working with young employees. The strategic goal of the youth policy is the development and support of working youth, the realization of their professional and creative potential in the interests of the Company. Through the implemented youth policy, the Company promotes the social adaptation of working youth to changes in society and the activities of the TATNEFT Group.

Areas of youth policy implementation:

- onboarding and mentoring
- transmission of corporate culture
- organization of quality leisure
- development of opportunities and involvement in a healthy lifestyle and sports
- social support
- corporate volunteer movement
- development of professional competencies
- development of general corporate and managerial competencies
- identification and support of high-potential employees
- development of interregional cooperation

The Company is interested in attracting talented young people and carries out various activities for these purposes. The structure of the events is developed taking into account the analysis of the involvement and satisfaction of young employees.

TATNEFT's mentoring practices are the best in Tatarstan

Support and development tools for young employees

Mentoring and onboarding programs

- For comfortable onboarding and effective integration of newly hired employees into the professional activities and increasing the level of involvement of managers and experienced employees in the development of human resources, the Company is implementing an updated Mentoring program, which takes into account the best of the Company's traditional practices and expands the mentoring tasks. The priority tasks include the formation of unique knowledge, skills and competencies of employees, the development of their potential, the formation of behavioral models corresponding to the Company's development goals, increasing involvement of employees and innovative activity of newcomers. Annual competitions, as well as the creation of Mentoring Councils at enterprises are envisaged.
- The Young Employees Adaptation Forum is held with the aim of introducing them into the corporate culture of the Company, accelerating the process of professional development of young employees, developing their ability to independently, efficiently and responsibly perform assigned functional duties. Each young employee can show leadership and participate in industrial, scientific, environmental, and volunteer projects. The Forum welcomed more than 500 people who were first employed by the TATNEFT Group after graduating from the university/secondary school in 2022-2023.

Professional development, support of initiative projects

>10,000 people

coverage of initiative projects by the Contest Tatneft — the Platform of Your Opportunities

- A contest of initiative projects "Tatneft — the Platform of Your Opportunities" is held with the aim of increasing the efficiency of investments in the Company's youth policy by more active involving young employees in solving current challenges and problems, as well as meeting requests in a specific territory. In 2023, 206 projects out of 518 applications totaling RUB 13.106 mln were recognized as winners. The Contest is held in 6 nominations: Tatneft-ECO, Tatneft-Goodness, Tatneft-Development, Tatneft-Enthusiasm, Tatneft-Mentoring, Tatneft-Big Family.
- Realizing the potential of both existing and new employees, the Company conducts corporate training as part of which young scientists accompanied by experts build a course for their future careers. Thus, as part of the implementation of the roadmap for the development of the Advanced Engineering School, the School's PI (Principal Investigator) intensive was held for the second time. 45 representatives of Russian universities became its students, who underwent training and presented their research and product projects.
- As part of the development of professional competencies, the TatneftTechCupChallenge open case championship is held among young employees of the TATNEFT Group and students, the purpose of which is to involve young specialists in solving the Company's business tasks. In 2023, the championship was held for the third time in a row, about 480 participants (more than 130 projects) took part in it, and 20 projects were recognized as the best and were recommended for implementation. This platform is an opportunity for young employees to realize their engineering and research potential for the benefit of the Company.
- The International Oil and Gas Youth Forum is aimed at identification and professional development of talented young people to address the urgent tasks facing the fuel and energy complex of Russia and the strategic objectives of the oil and gas industry. In 2023, the Forum with 240 participants was held for the fourth time. The Bank of Ideas formed as a result of the Forum will be used for further implementation of proposals in the oil and gas industry of Russia.

Professional skills competition

The competition with a half-century tradition is held annually among young employees of the TATNEFT Group. In 2023, the competition was held in 24 competitive nominations, and consisted of three stages. More than 750 young employees of the TATNEFT Group enterprises and the service unit took part in the Competition 332 employees qualified for the final stage of the Competition. According to the results of the Competition, 123 winners were determined as the best representatives of their professions.

39%

% of the finalists of the championship got a career promotion

RUB 918 mln

is a potential economic effect of implemented projects

The Program covers 8 educational institutions:

- Kazan National Research Technological University
- Kazan National Research Technical University, Almetyevsk Branch
- Almetyevsk State Technological University Higher Petroleum School
- Chemical-Technological Institute, Nizhnekamsk
- Polytechnic College, Almetyevsk
- Petroleum College, Leninogorsk
- Petroleum College, Oktyabrsky
- College of Petrochemistry and Oil Refining, Nizhnekamsk

Career Guidance Work

For the purpose of practical training of students, industrial and educational practice is organized for students from 56 specialized educational institutions. About 1,500 students completed the internship, including 430 students who were employed by the Company for the vacation period due to interaction with the Republican Center of Labor Units. Targeted training is carried out and such students are paid a scholarship and guaranteed 100% employment after completing the training.

- >6,000 schoolchildren have been involved over 9 years of supporting the Olympiad movement of young geologists
- As part of career guidance, activities are performed to support the Olympiad movement. The Company annually organizes the Republican Open Field Olympiad for Young Geologists.
- The Vproekte program is a platform for implementing business projects by students in teams with the Company's key specialists. It is an environment that allows increasing the involvement of talented students and teachers, developing hard and soft skills, and applying accumulated knowledge in the workplace. In 2023, the Program involved about 200 students who successfully completed more than 3,000 tasks.
- For several years, TATNEFT has been a system partner of Russian student teams; annually about 1,000 representatives of the movement work at the Company's facilities in a variety of areas: service, hotel business, improvement teams, pedagogical, medical and other areas. During the summer holidays, about 500 representatives of the student pedagogical teams have worked as counselors in the Company's children's camps. Such cooperation contributes to the development of student teams, the formation of a talent pool and an increase in the level of professional competencies of young people.

Active work is carried out with young people in social networks: the account of the youth organization of PJSC TATNEFT in Telegram and the information YouTube channel "PRO Download Youth" continued to work, thereby allowing the creation of a single corporate platform for information exchange, communication, and feedback.

Volunteer movement

TATNEFT pays great attention to the development of corporate culture, and volunteer activity is one of the tools for its broadcast. The project covers the entire republic and unites the Company's employees, students, and residents around universal human values, involves them in joint socially significant volunteer projects, allows developing new skills required for career advancement and making new professional connections, forms a responsible attitude and leadership qualities, ensures not only professional but also moral growth.

A large number of educational projects are being implemented, urban greening is being carried out, measures are being taken to clean up assigned territories, charitable events are being carried out, and projects are being implemented to popularize blood donation through volunteer activities. The patronage work with the assigned orphans is continued in order to adapt them to an adult independent life through their involvement in the life of the Company (since 2000, the Program has covered more than 360 children).

>5,000

Company employees are volunteers

The corporate volunteer program Envoys of Sustainable Development Goals has been implemented since 2020; it has been created with the aim of forming a volunteer asset from among employees, students of educational institutions of the Company's scientific and educational cluster to transfer knowledge in the field of Sustainable Development Goals and problems that need to be solved to achieve them. Environmental education, environmental actions and other events are carried out within the framework of the volunteer movement (for details, see the Environmental Education subsection).

In 2023, the 1st Tatneft s Dobrom Volunteering Forum was held, which brought together more than 100 employees from the regions of the Company's presence, with the aim of building a corporate volunteering strategy, developing volunteering on a systematic basis, creating an effective tool for promoting and popularizing the best volunteering practices.

Winner of the Good Tatarstan Republican Prize in voluntary work in the "Big Business" category

Collective Representation

GRI 2-30, 407, SASB EM-EP-210a.3

The Company recognizes the rights of every employee to represent collective interests, including trade union organizations, recognizes and respects the rights of trade unions, including the rights enshrined in the basic conventions of the International Labor Organization — the right of each employee to be represented by a trade union of his/her own choice and basic trade union rights concerning freedom of association and the right to organize workers into trade unions, as well as the right to collective bargaining. The Company does not prevent its employees from joining associations and trade unions.

The Collective Agreement, which is concluded annually, is a basis for cooperation between employees and the employer. The Collective Agreement confirms the Company's position on the recognition and observance of fundamental human rights, defines the general principles of safe organization and remuneration, social benefits and guarantees in excess of those established by law for employees and non-working pensioners, guarantees of the activities of a trade union organization. The provisions of the Collective Agreement of PJSC Tatneft are the basic ones for collective agreements of the TATNEFT Group enterprises. The Company fulfills all obligations of the Collective Agreement.

The Collective Agreement of PJSC TATNEFT was concluded on February 3, 2023 and registered under No. 190 by the State Public Institution Almetyevsk Employment Center.

100%

of employees are covered by the Collective Agreement

Each employee has the right and opportunity to participate in the process of forming the Collective Agreement by sending his/her proposal to the trade union organization. Trade union representatives take part in the consideration of all social and labor issues and events significant for employees, incl. carrying out structural transformations of the Company, changes in the field of organization and remuneration.

The main collective representation of the interests of the Company's employees on the basis of partnerships is carried out by Tatneft Profsoyuz Interregional Trade Union Organization of the All-Russian Trade Union of Oil and Gas Industry and Construction Workers (hereinafter, the Trade Union Committee).

Admission to the Trade Union is carried out on a voluntary basis, based on the personal application of an employee. In the TATNEFT Group, 58,644 employees (94.7% of the total number of employees of the Company) are members of the Trade Union Committee.

For the effective solution of the tasks set, 10 commissions work under the Trade Union Committee:

- for protection of social and labor rights
- and interests of Trade Union members
- for legal protection
- for occupational health
- for work with young people
- for work with non-working pensioners
- for training and advanced training of Trade Union personnel and pool for organizational and mass work, digitalization and information activities
- housing commission
- for food service control
- for the quality of medical care, health and fitness and culture-into-masses work

Protection of social and labor rights and interests of employees

With a view to improving the social and labor situation of employees, the following changes were made to the Collective Agreement in 2023:

- tariff rates have been increased,
- the amount of social payments for material assistance has been increased,
- a regulation on non-state pension provision for employees has been introduced.

In order to monitor the fulfillment of the obligations of collective agreements, representatives of the Tatneft Trade Union Committee visited workplaces, got acquainted with working and living conditions, discussed current issues with the collectives of workshops and brigades in online conferences. Electronic questionnaires (surveys) of employees were organized to monitor the satisfaction of Trade Union members with the organization and remuneration of labor, the organization of safe working conditions and recreation, and to identify relevant areas of work of the most active members of the Trade Union.

(issues of organizing health improvement of employees working in harmful working conditions, the results of a survey to determine the level of satisfaction of Trade Union members with benefits and guarantees, and the degree of satisfaction of Trade Union members with the allocation of housing under the social mortgage program were discussed.)

Protection of the rights to safe work

Work on the protection of workers' rights to safe work and monitoring compliance with labor protection legislation at the enterprises of the TATNEFT Group is carried out by the Trade Union Committee for Labor Protection, Technical Labor Inspectorate and representatives for labor protection.

The chief technical labor inspector of the Trade Union has conducted:

- 28 inspections of the state of conditions and labor protection of enterprises, compliance with labor protection legislation, implementation of collective agreements and labor protection agreements. The identified violations have been eliminated in a timely manner.

Monitoring in labor protection on a voluntary basis is carried out by:

- 1,916 labor protection officers of the Trade Union, who checked the state and working conditions at the workplace. The identified problems have been eliminated.
- 1,100 labor protection officers have been trained.

The Collective Agreement establishes the obligations of an employer to ensure healthy and safe working conditions for employees on the basis of a complex of social and labor, organizational and technical, sanitary and hygienic, therapeutic and preventive, rehabilitation and other measures.

Legal protection

The Trade Union provides legal assistance on the implementation of the provisions of the Collective Agreement, remuneration, compliance with the work and rest regime, dismissal compensations, the legality of disciplinary liability and other issues related to the employee's work.

In 2023, 814 members of the Trade Union received a consultation. Work is carried out on the examination of local regulations of PJSC TATNEFT.

The Commission for the legal protection of Trade Union members conducts inspections on compliance with labor legislation in organizations of the TATNEFT Group. Representatives of the Trade Union Committee take part in the work of the PJSC TATNEFT commission for certification of employees.

Issues and disagreements that arise in the course of production activities are considered with the involvement of the Ethics Committee of PJSC TATNEFT.

The Company is attentive and respectful to non-working pensioners, providing regular financial assistance to veterans. Work with unemployed pensioners is organized in a new format. 10 Territorial Councils of Veterans were created, working in cooperation with the Center for Support of Social Programs and territorial primary trade union organizations. Funds are allocated annually for the organization of health resort therapy of unemployed pensioners and veterans of the Company, as well as financial assistance is provided.

Relationship channels

- The Tatneft Trade Union mobile application allows reaching all members of the Trade Union and informing about the legal labor rights and social benefits provided under the Collective Agreement, providing constant feedback. Popular messengers and social networks, a chatbot, and YouTube channel of Tatneft Profsoyuz are also actively used.
- For appeals: hotline (via Telegram) 8-917-390-86-19.

PRODUCTION SAFETY

GRI 3–3, 403–1, 403–2, 403–8 SASB EM-EP - 160a.1,320a.1, 320a.2;EM-RM- 320a.2

TATNEFT is traditionally committed to the positions of responsible business conduct, therefore, it always pays significant attention to Health, Safety and Environmental.

The Company implements an effective policy of industrial and environmental safety based on the principle of the priority of human life and preventive measures to prevent accidents. The approach to safety is implemented in all production processes, in the work of our own staff and contractors with the priority of health protection.

The fulfillment of safety requirements is the basis of the developed «TATNEFT Group Development Strategy in the Field of Health, Safety and Environment until 2030», which was formed taking into account the priority goals of sustainable development, the requirements of the Industrial and Occupational Safety Management System. The strategy contains a systematic description of long-term development guidelines and covers all business areas.

The main value is the life and health of employees

Industrial Safety Policy Statement of PJSC TATNEFT named after V.D. Shashin

Key priorities

- Recognition of human rights to safe working conditions, a favorable environment and favorable living conditions
- Ensuring industrial and environmental safety of production processes as an integral part of national security
- Risk-based approach in ensuring occupational safety, industrial and environmental safety

TATNEFT sets a strategic goal to achieve trouble-free production activities, safe working conditions for the Company's employees, as well as the preservation of a favorable environment for present and future generations.

Industrial and occupational safety objectives

Ratio	2021 limit	2021 actual	2022 limit	2022 actual	2023 limit	2023 actual	2024 limit
Occupational injury frequency (RFR)	0.36	0.32	0.43	0.39	0.38	0.38	0.35
Traffic accident injury frequency (RTR)	0.30	0.06	0.28	0.00	0.26	0.14	0.24
Fire frequency (RF)	0.23	0.03	0.21	0.06	0.20	0.04	0.18
Accident frequency (RA)	0.42	0.02	0.38	0.04	0.35	0.09	0.32
Occupational injury severity rate (RS)	170	91.60	155	92.7	147	102.9	143

In accordance with the «Program (Comprehensive Action Plan) of the TATNEFT Group in the Field of Industrial and Occupational Safety to Prevent Injuries, Reduce Risk, Accidents and Unplanned Losses for 2022-2024, RUB 15.55 billion were allocated for the implementation of measures in the field of industrial and occupational safety.

Costs for implementing industrial, fire and occupational safety protection measures, RUB billion

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MANAGEMENT SYSTEM

The Company maintains and continuously improves the integrated management system in the field of Health, Safety and Environment (HSE), taking into account the legal requirements and the provisions of the international standards ISO 45001:2018 "Occupational safety and health management systems. Requirements and Guidelines for Use», ISO 14001:2015 «Environmental Management System».

At the operational level, the management system in the field of Health, Safety and Environment is provided by two functional divisions:

- Health, Safety and Environment Department
- Environment Protection and Ecology Department*

The integrated HSE management system consists of three main areas:

INDUSTRIAL SAFETY | OCCUPATIONAL SAFETY | ENVIRONMENTAL SAFETY

* For more details on the environmental management system see the «Environment» section

The industrial and occupational safety management system covers all the main management levels.

Strategic Level	Board of Directors	↗ Determines environmental policy in the field of Health, Safety and Environmental, sets strategic goals and development directions; ↗ Oversees policy implementation
Operational Level	Health, Safety and Environment Department	↗ Provides overall management, organization and coordination of work on continuous improvement of the industrial and occupational safety management system
	Occupational Health and Safety Committee	↗ Organization of joint actions of executive bodies and the trade union committee to ensure the requirements of occupational safety ↗ Prevention of occupational injuries and occupational diseases and preservation of workers' health
Internal Assessment	Internal Audit Department	↗ Performs an independent assessment of the reliability and effectiveness of the risk management system in the field of industrial and occupational safety at the corporate and business process levels (reports on the results of inspections are sent to the Company's management and the Audit Committee)
Independent Control	Occupational safety officers from the TATNEFT Trade Union	↗ Exercise public control over the state of working conditions at workplaces ↗ Contribute to the creation of healthy and safe working conditions

Documents regulating the management system in the field of Health, Safety and Environment:

- ↗ Policy of PJSC TATNEFT named after V.D. Shashin in the field of Health, Safety and Environment, taking into account climate change
- ↗ Regulations on the industrial safety management system at the TATNEFT Group
- ↗ Regulations on the Occupational Safety Management System of PJSC TATNEFT
- ↗ Regulations on production control over compliance with industrial safety requirements at hazardous production facilities of PJSC TATNEFT
- ↗ Procedure for managing risks and opportunities of the management system in the field of Health, Safety and Environment in the TATNEFT Group
- ↗ Procedure for internal audit of the management system in the field of Health, Safety and Environment in the TATNEFT Group
- ↗ Guidelines for the management system of Health, Safety and Environment of the TATNEFT Group
- ↗ Regulations on the procedure for conducting a technical investigation of the causes of incidents at hazardous production facilities of PJSC TATNEFT

The Company systematically arranges production control over compliance with industrial safety requirements, internal audits of the management system, analyzes and processes the results of incidents and inspections, develops and monitors the implementation of corrective and preventive actions. To ensure such functions, the work of permanent commissions on occupational safety, the production control commission, the fire and technical commission and the internal audit group of the integrated management system was organized.

The Key Safety Rules is an important tool for managing industrial and occupational safety, which imposes uniform requirements for the behavior of the Company's employees when performing their job functions.

HSE Cooperation

In 2023, 126 draft regulatory legal acts were reviewed, 59 proposals and comments were given, 2 proposals were adopted by working groups. During the year, managers and specialists of the industrial and occupational safety department took part in:

- ↗ meetings of the Committee and working groups of the Russian Union of Industrialists and Entrepreneurs (RUIE) on industrial safety to review and discuss draft amendments to regulatory legal acts and issues of implementing the procedure for conducting industrial safety examinations;
- ↗ RUIE panels on industrial and fire safety, control, supervision and licensing activities;
- ↗ meetings of the safety section of oil and gas complex facilities of the Scientific and Technical Council of the Federal Environmental, Industrial and Nuclear Supervision Service (Rostechnadzor);
- ↗ the All-Russian Occupational Safety Week to discuss issues of improving legislation in industrial and occupational safety and the formation of a healthy lifestyle for workers.

Hazard identification, risk assessment and incident investigation

In order to implement the principles of corporate responsibility and risk-oriented approach, the Company has a Procedure for managing risks and opportunities of the management system in the field of Health, Safety and Environment in the TATNEFT Group, including a Methodology for identifying industrial hazards, environmental aspects, assessing risks and opportunities in the field of Health, Safety and Environment in the TATNEFT Group.

In 2023, the Methodology for assessing the levels of safety culture development was introduced, aimed at implementing initiatives to reduce the level of incidents, high potential events, accidents and injuries in the workplace, defining the procedure for self-assessment of the level of safety culture with a survey of employees. The Methodology establishes the main criteria for determining the current level of safety culture development in accordance with the model adopted by the Company for further determining a set of measures to improve safety culture and move to the next level.

The Company updates the register of industrial risks and environmental aspects for all divisions at least once a year. Identification, assessment of hazards, risks and environmental aspects is carried out on a multi-level basis. Employees of the TATNEFT Group enterprises, in addition to communication with their immediate supervisor, have the opportunity to report promptly and around the clock on dangers and dangerous situations that have materialized risk events by calling the Hotline, the dispatch service, and by e-mail.

The following is used as risk management tools:

- ↗ Key safety rules.
- ↗ Programs for investing in the activities aimed at reducing and preventing industrial hazards and risks
- ↗ Comprehensive three-year programs of organizational and technical measures
- ↗ Insurance of civil liability to third parties against the realization of industrial safety risks at hazardous production facilities
- ↗ Voluntary insurance of environmental liability and property insurance of objects

The investigation of incidents is carried out in accordance with the Regulation «On the Procedure for conducting a technical investigation of the causes of incidents at hazardous production facilities of PJSC TATNEFT, their accounting and analysis». Recording and implementation of measures to eliminate the consequences and causes that led to the technogenic event are monitored.

In order to control and ensure radiation safety, the following is carried out on an ongoing basis:

- ↗ supervision of the process of radiation safety and industrial radiation control performance
- ↗ planned radiometric inspection of oil treatment facilities
- ↗ individual dosimetric control of personnel
- ↗ formation and provision of radiation-hygienic passport of the enterprise
- ↗ radiation control at workplaces of workers whose work involves ionizing radiation sources
- ↗ monitoring the condition, recording and storage of ionizing radiation sources
- ↗ generation and provision of a report on the state of radiation safety at radiation-hazardous enterprise facilities

According to the assessment of the Office of the Federal Service for Supervision of Consumer Rights Protection and Human Welfare in the Republic of Tatarstan, the state of radiation safety at the Company's enterprises in the reporting year is assessed as satisfactory.

Man-made incidents

GRI 306-3 SASB EM-EP-160a.2, 540a.1, EM-RM-540a.1

Accidents

2021	0
2022	1
2023	3

In 2023, 3 accidents occurred at the Company's facilities:

General information about the incident:	Action taken:
20.03.2023 ↗ oil-containing fluid spill with the ingress of oil products into a water body due to loss of integrity of the GZU-32A gathering pipeline of NGDU Almetyevneft; ↗ the volume of spilled oil-containing fluid is 483.43 m³, of which oil is 16.436 m³ (14.15 tonnes); ↗ the spill area on the ground surface is 400 m²	↗ oil-contaminated soil and snow were removed with technical reclamation of the land plot at the site of an oil-containing fluid spill; ↗ tree seedlings were planted; ↗ the gathering pipeline was replaced
13.12.2023 ↗ oil-containing fluid spill into a water body due to loss of integrity of the manifold line at Well No. 32451 of NGDU Almetyevneft; ↗ the volume of spilled oil-containing fluid is 27 m³, of which oil is 0.749 m³ (0.797 tonnes); ↗ the spill area is 450 m² in the well area and the riverside zone;	↗ oil-contaminated soil and snow were removed with technical reclamation of the land plot at the site of an oil-containing fluid spill; ↗ emergency drills were conducted on the operational part of the action plan for localizing and eliminating the consequences of accidents associated with the threat of oil-containing fluid getting onto the water surface, with the involvement of representatives of the Volga Region Department of Rostechnadzor; ↗ work was organized to audit and identify defects on quick-release connections used during equipment operation
30.06.2023 ↗ explosion and destruction of a vertical stainless steel tank No. 6 (5,000 m³) at the hazardous facility «Aktash Oil Processing and Gathering Facility» of NGDU Elkhovneft as a result of loss of integrity, the formation of a gas-air mixture of hydrocarbons and spontaneous ignition of pyrophoric compounds, which resulted in a group accident with the death of 2 people while they were performing preparatory work for cleaning the vertical stainless steel tank	↗ stage follow-up control of preventive maintenance was organized; ↗ the following is developed: Work permit drafts for 4 types of gas-hazardous work with measures to ensure the safe performance of work; the Instructions for safe gas-hazardous work were updated; Standard process maps for high-risk work on vessel equipment and tanks; the List of gas-hazardous areas and work at hazardous facilities was updated, reflecting measures aimed at preventing spontaneous ignition of pyrophoric compounds; the List of assessed professional and industrial risks was supplemented with measures to influence the HSE risk

For each incident, technical investigation of the causes of accidents were carried out. The results of technical investigations are documented in reports indicating the causes and circumstances of the incident, the extent of the damage caused, violations of industrial safety requirements, the persons who committed these violations, as well as measures to localize and eliminate their consequences and proposals for preventing such accidents.

Based on the results of the investigation of the causes, employees were given off-schedule briefing.
The circumstances and causes of such incidents are communicated to all Company employees by publishing information material in the corporate information system.

In 2023, 3 fires occurred at the TATNEFT Group facilities:

- ↗ 1 fire at a package transformer substation 6/0.4 kV
- ↗ 1 fire at a transformer substation 110/35/10 kV
- ↗ 1 fire in a laboratory for studying the properties and composition of degassed oil

Fires

2021	2
2022	4
2023	3

In order to reduce the risk of fires and the severity of consequences, a set of organizational and technical measures was implemented in 2023 to strengthen the fire protection of organizations, including practical trainings on evacuating people in case of fire and emergency situations at facilities with large numbers of people; targeted inspections of the fire safety condition of tank farms for storing oil, wheeled mobile cabins, venues at social facilities and facilities with large numbers of people, organizing and conducting hot work; measures to prevent damage associated with the spread of landscape (natural) fires at industrial and social facilities; fire-rescue relay competitions among non-nominal fire-fighting units; fire tactical drills of the units of the Federal Fire-Fighting Service of the State Fire-Fighting Service, Almetyevsk Branch of the Federal State Budgetary Institution «Department of Contractual Units of the Federal Fire-Fighting Service of the State Fire-Fighting Service for the Republic of Tatarstan» on extinguishing oil in the vertical stainless steel tank 2,000 m3 and an open barn at the training area.

Emergency Prevention and Elimination System

SASB EM-EP-540a.2

The Company has a system for preventing and eliminating emergency situations (ES) caused by oil and oil product spills, protecting the population and the environment from their harmful effects in the Company, which is based on:

- ↗ increasing the reliability of production equipment
- ↗ timely detection of emergency situations and minimization of losses from them
- ↗ rapid response to emergencies

Plans for liquidation of oil and oil product spills are updated on an ongoing basis in accordance with the norms established by law. Contracts have been concluded with professional emergency rescue units. Non-professional emergency response teams (NERT) with the right to conduct gas rescue operations were established and certified by the departmental certification commission. NERT is equipped with machinery and special equipment sufficient for the localization and elimination of oil spills, reserves of material resources have been created. More than 500 stationary oil-collecting structures, booms, and lagoons are maintained in working condition.

To increase readiness for actions to localize and eliminate emergencies, comprehensive emergency training exercises are carried out. To ensure the openness of the Company in the matters of environmental protection and ensuring environmental safety, there is a mechanism for the participation of the interested public and the media in monitoring the comprehensive emergency training exercises. Information about the exercises is published in print media, the Internet and social networks. a Memo has been developed for members of the public interested in participating in the conduct and analysis of command and staff, comprehensive and other exercises to eliminate oil and petroleum products spills. Annually, comprehensive drills are conducted to confirm readiness for action to localize and eliminate oil and oil product spills with the participation of representatives of a regional youth public environmental organization.

Emergency Prevention and Elimination System

10 comprehensive drills to prevent and respond to oil and oil product spills

OCCUPATIONAL AND PRODUCTION SAFETY

GRI 403–3, 403–4, 403–5, 403–10

The Company's Occupational Safety Management System contains a set of interrelated elements that establish policies and goals in occupational safety and procedures for achieving these goals, is aimed at ensuring healthy and safe working conditions for workers, creating a corporate culture of occupational safety and promoting a healthy lifestyle, preventing accidents with employees, preventing occupational injuries and occupational diseases, increasing the efficiency of occupational safety management. The general requirements for the organization of work on occupational safety, principles and methods of management, tasks, rights, duties and responsibilities for creating healthy and safe working conditions are established by the «Regulations on the Occupational Safety Management System».

Identification of hazards and assessment of occupational risks is carried out in accordance with the requirements of the internal document "Identification of Occupational Hazards, Environmental Aspects, Assessment of Risks and Opportunities in the Field of Health, Safety and Environment."

The Occupational Safety Management System is an integral part of the management and production system and represents the unity of:

- organizational management structures that provide for the establishment of duties and responsibilities in the field of occupational safety at all levels of management in the Company
- measures that ensure the system operation and monitoring the effectiveness of work in occupational safety
- documents, including local regulations governing procedures and activities of the Occupational Safety Management System

Occupational safety procedures:

- Special assessment of working conditions
- Welfare of employees
- Work and rest pattern for employees
- Safety of employees and contractors during the operation of buildings and structures, equipment and tools during the implementation of technical processes
- Professional risk assessment
- Personal protective equipment for employees
- Medical screenings and examinations of employees
- Response to emergencies, accidents, and occupational diseases
- Training of employees
- Social insurance for employees
- Healthy nutrition for employees
- Interaction with state supervisory authorities, executive authorities and trade union control in occupational safety

The Company has established an Occupational Health and Safety Committee whose functions include organizing joint actions of the executive bodies and the trade union committee to ensure occupational safety requirements, prevent occupational injuries and occupational diseases, and preserve the health of employees. It has 16 members elected on a parity basis — 8 representatives from each party of the partnership. Also, joint occupational health and safety committees have been established in each subdivision.

The Occupational Health and Safety Committee organizes inspections of working conditions and occupational safety, informs employees about the results of these inspections, collects proposals for the section on occupational safety of the collective agreement. Commissioners for occupational safety, elected by the trade union organizations of the subdivisions, contribute to the creation of healthy and safe working conditions, as well as exercise public control over the state of working conditions in the workplace.

Training in the field of occupational and industrial safety

In order to ensure preventive measures to reduce occupational injuries and occupational diseases, to train employees on occupational safety without the involvement of training organizations, the Company is registered in the register of individual entrepreneurs and legal entities engaged in training their employees on occupational safety in the occupational safety information system of the Ministry of Labor and Social Protection of the Russian Federation.

The Company strives for a benchmark level of safety culture, where the personal safety of each employee is equal to the safety of all colleagues and the principles of safe behavior. a system for exchanging best practices between the Company's departments and enterprises is being formed. Proactive work on prevention and continuous improvement in occupational safety is motivated.

In 2023, work was conducted aimed at developing and improving the safety culture of the Company's employees, the goal of which is to change the consciousness of employees and create conditions that ensure complete rejection of violations in the field of industrial and personal safety. as part of the professional retraining of managers of TATNEFT-Master-2030, training was conducted on the course "Building a safety culture in the workplace". The course is replicated to all organizations of the TATNEFT Group.

Expenses for training in the field of occupational and industrial safety, RUB mln.

Training in the field of occupational and industrial safety, persons	2021	2022	2023
Industrial safety training and certification	3,188	10,192	9,425
Occupational health and safety training	10,241	14,226	98,047
Training in working specialties	3,653	7,303	7,184
Training in advanced training courses	8,170	12,129	21,245
Certification of welding personnel	301	914	377
Training and certification of NERT members	474	316	396
Education and training in various areas	3,252	4,911	9,293
Total:	**29,279**	**49,991**	**145,967**

WORKPLACE SAFETY

In order to increase the efficiency of work to create safe and healthy working conditions, the Company annually enters into Occupational Safety Agreements that regulate the relationship between the employer and employees and determine the mutual responsibility of the parties, as well as planning, ensuring and carrying out various occupational safety measures.

In 2023, more than RUB 2.7 billion were allocated for measures aimed at improving working conditions and occupational safety at the enterprises of the TATNEFT Group. Average costs per 1 employee amounted to RUB 34,100.

Special assessment of working conditions, workplaces

Occupational safety expenses, RUB thousand.

	total	per 1 employee
2021	1,667,188	26.7
2022	1,930,049	29.1
2023	2,711,827	34.1

In order to develop and implement measures aimed at improving the working conditions of employees, reducing the risks of exposure to harmful and hazardous production factors, the Company conducts a special assessment of working conditions: planned assessment 1 time every 5 years and an unscheduled assessment in established cases at workplaces of the TATNEFT Group enterprises. Based on the results of a special assessment of working conditions, measures are developed and implemented to improve working conditions at workplaces.

Prevention of occupational diseases

In order to ensure healthy working conditions, comply with the requirements of sanitary norms and rules for technological processes, equipment, transport, workplace organization, work, recreation and sanitary services, prevention of health effects of harmful and dangerous factors, prevention of occupational diseases of workers in the workplace, industrial control over compliance with sanitary rules is carried out. in 2023, sanitary and hygienic studies of workplaces were carried out in the amount of RUB 56 million.

Expenses for medical examinations, RUB million

Annually, in accordance with the requirements of the legislation, in order to monitor dynamically the health of employees, timely detection of initial forms of occupational diseases, early signs of the impact of harmful and (or) hazardous production factors of the working environment, the labor process on the health of employees, identification of medical contraindications to the implementation of certain types of work, mandatory periodic medical examinations of employees, psychiatric examinations (including in terms of drug-related diseases) are carried out.

There are programs of voluntary medical insurance, rehabilitation treatment and sanatorium rehabilitation of employees. Lumbar exoskeletons are used to reduce diseases of the musculoskeletal system in the workplaces with significant physical exertion.

In order to prevent and mitigate the possible consequences of the COVID-19 pandemic, ill-health prevention work is continued. Rehabilitation of employees who have been ill with COVID-19 is carried out.

For more details, see the section “Social Security for Employees”.

OCCUPATIONAL INJURIES

GRI 403–9 SASB EM-EP-320a.1, EM-RM-320a.1

The Company accepts responsibility for the preservation of life and health of people, regardless of whether they are employees of the Company or contractors. It makes every effort to reduce the likelihood of occurrence of occupational hazards in the performance of work at the production facilities for all employees. For each accident related to industrial injuries, investigations of the circumstances are carried out and prompt measures are taken to prevent them.

In accordance with the mission and to implement the policy in the field of Health, Safety and Environment, the Development Strategy in the field of Health, Safety and Environment of the TATNEFT Group until 2030 has been approved, which specifies the Company’s goals and obligations in this area.

Indicators of occupational injuries	2021	2022	2023
Injury frequency per 1,000 employees*	0.32	0.39	0.38
Injury severity**	91.6	92.7	102.9
Traffic accident injury frequency	0.07	0	0.14
Level of occupational injuries**	32.41	37.71	50.48
Fatal injuries per 1,000 employees**	0.03	0.015	0.025
Fatal injuries per 1,000,000 (TRIR)	0.32	0.28	0.3
Injury frequency (LTIFR per 1 million hours worked)*	0.2	0.22	0.21
Fatal accident rate per 1,000,000 hours	0.02	0.008	0.015
Near miss frequency rate (NMFR)	0.1	0.057	0.076

Occupational injuries by severity of consequences	2021	2022	2023
Accidents, number	20	26	29
Victims, persons	22	27	30
- Fatalities, persons	2	1	2
- Minor accidents, persons	11	20	13
- Serious accidents, persons	9	6	15

Victims (fatalities) by gender, persons

	Total	Men	Women
2021	22 (2)	15 (1)	7 (1)
2022	27 (1)	21 (1)	6 (0)
2023	30 (2)	24 (1)	6 (1)

In 2023, 29 accidents were registered in the TATNEFT Group, of which 1 was fatal, the number of victims was 30 people, of which 2 were deceased.

The increase in the number of accidents and days of disability is due to the entry of service assets into the TATNEFT Group, the production activities of which are associated with a high risk of occupational injuries and accidents. in order to prevent accidents at work, 199 measures were developed and implemented based on the results of investigations.

* excluding traffic accident cases.

** including traffic accident cases.

When calculating the indicators, the workforce was used.The category of workers associated with a high risk of injury includes workers engaged in performing work at height and when working with moving machines and mechanisms.

Industrial injuries in business areas

	Number of accidents (fatal case)	Exploration and production	Repair and drilling	Oil and gas refining	Power generation	Petro-chemicals	Other
2021	20 (2)	1 (0)	0 (0)	5 (0)	1 (0)	0 (0)	13 (2)
2022	26 (1)	2 (0)	10 (0)	4 (0)	0 (0)	2 (0)	8 (1)
2023	29 (1)	2 (1)	8 (0)	2 (0)	1 (0)	0 (0)	16 (0)

Occupational injuries in traffic accidents

	2021	2022	2023
Traffic accidents, number	3	0	7
Victims in traffic accidents, persons	5	0	11
- Fatalities, persons	1	0	0
- Minor accidents, persons	3	0	8
- Serious accidents, persons	1	0	3

Victims (fatalities) in traffic accidents by gender

	total	men	women
2021	5 (1)	3(0)	2(1)
2022	0 (0)	0 (0)	0 (0)
2023	11 (0)	10 (0)	1 (0)

Occupational injuries in traffic accidents by business areas

	Number of accidents (fatal case)	Exploration and production	Workover and drilling	Oil and gas refining	Power generation	Petro-chemicals	Other
2021	3 (1)	0 (0)	0 (0)	1 (0)	0 (0)	0 (0)	2 (1)
2022	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
2023	7 (0)	2 (0)	1 (0)	1 (0)	0 (0)	0 (0)	3 (0)

Number of days of temporary disability as a result of accidents per 1 employee, days

	total	men	women
2021	2,106	1,741 (116.1)	365 (52.2)
2022	2,504	1,977 (94.14)	527 (87.8)
2023	4,014	3,497 (102.8)	517 (73.85)

Occupational diseases

	total	men	women
2021	0	0	0
2022	0	0	0
2023	0	0	0

The Company has uniform requirements for the behavior of employees of contracting organizations when performing work at the facilities of the TATNEFT Group. Coordination of the Company's activities with contractors is carried out in accordance with the Standard of the Procedure for the Admission of Contractors and the Organization of Safe Work, aimed at implementing the requirements of ISO 14001:2015, ISO 45001:2018, «Safety Rules in the Oil and Gas Industry», «Occupational Safety Rules».

The Company implements an integrated approach to assessment of retained knowledge on industrial and occupational safety among employees of contractors before establishing contractual relations and during their implementation, which is a key factor in ensuring production safety. in 2023, before admission to work, the retained knowledge of more than 24,071 employees of contracting organizations was assessed.

Occupational injuries of contractors at the Company's facilities

	Accidents (fatal case)	Victims, persons
2021	17 (4)	17
2022	17 (2)	17
2023	7 (1)	7

All contracts concluded with contractors contain obligations to comply with industrial and occupational safety rules. At the Company's facilities, the contractor constantly monitors the fulfillment of contractual relations, compliance with the requirements of Russian legislation and local regulatory documents of the Company.

High risk works

High risk works with a high risk of injury include types of labor activities that carry risks to the health of personnel, performed in places where harmful and dangerous production factors operate. To minimize the likelihood of work-related injuries and emergencies, lists of high-risk work are developed and approved annually in accordance with the classification of working conditions.

Persons of at least 18 years of age who have passed a medical examination, primary and introductory briefings at the workplace, training under a special program and certified by the permanent examination commission of the enterprise of the subdivision are allowed to high risk works. High risk works are carried out in accordance with the work permit, which determines the content, place, time and conditions of work, the necessary safety measures, the composition of the team and persons responsible for the safety of work.

ENVIRONMENT

GRI 3-3 SASB EM-EP-110a.3, EM-RM-110a.2

The Company adheres to the principles of the UN Global Compact and evaluates the impact of planned and ongoing activities on the environment when making management and investment decisions, along with other significant factors, as well as in solving environmental problems, industrial and occupational safety issues.

In carrying out its activities, the Company gives priority to the measures aimed at preventing possible negative impact on the environment. Identification of hazards, assessment and management of risks in the field of environmental protection, climate risks are carried out at all stages of the production life cycle, starting with pre-design surveys.

The approved «Development Strategy in the Field of Health, Safety and Environment of the Tatneft Group Until 2030» defines the Company's goals and responsibilities in the field of climate aspects and greenhouse gas emissions. The Company uses advanced scientific achievements and innovative technical solutions, systems and processes in its production activities, taking into account world experience and the best available technologies in order to prevent climate change, as well as reduce the negative impact on the environment.

The internal document reflecting the Company's position and approaches in the field of environmental and climate impact is the "Policy of PJSC TATNEFT named after V.D. Shashin in the Field of Health, Safety and Environment Taking Into Account Climate Change".

6 CLEAN WATER AND SANITATION
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND

Key priorities

Areas	Liabilities
minimizing the impact on climate change	↗ reduction of GHG emissions and carbon footprint ↗ use of green alternative energy sources; ↗ increase of the level of utilization of associated petroleum gas ↗ control of environmental impacts in the supply chain and measures to mitigate such impacts
favorable environment and living conditions	↗ avoidance of environmental damage from economic activities ↗ reduction of losses of raw materials and products at all stages of production activities and prevention of their release into the environment ↗ applying of the best available technologies, equipment, digital process control solutions ↗ prevention of emergencies and taking of all possible measures to minimize their consequences
preservation of natural ecological systems and biodiversity	↗ prevention of negative impact on natural objects minimization of work in specially protected natural areas and their protected zones ↗ restoration of biodiversity, habitats, animal migration routes and compensation for possible environmental damage ↗ reduction of fragmentation of natural landscapes and the area of disturbed land
rational use of natural resources	↗ improvement of the energy efficiency of production processes and ensuring of resource conservation ↗ implementation of elements of circular economy, recycling and use of recyclable materials ↗ use of water recycling and reuse systems and reduction of water abstraction from natural sources
improvement of the environmental impact management system	↗ ensuring of compliance with applicable regulations and prevention of emergencies by implementing industrial environmental control and audits ↗ implementation of state-of-the-art information technologies, technical diagnostics and remote monitoring methods ↗ comprehensive environmental impact assessment in the implementation of infrastructure projects ↗ additional risk assessment in specially protected natural areas, wetlands, where the Company operates ↗ maintaining of an open dialogue and regular interaction with stakeholders

THE COMPANY'S POSITION ON CLIMATE CHANGE

The Company shares the global concern related to climate change and recognizes that global warming caused by an increase in the concentration of greenhouse gases in the atmosphere is one of the most important challenges for society and business. Since the issues of ecology and sustainable development of the regions of presence have historically been important for the Company's activities, TATNEFT implements a long-term policy on decarbonization and environmental protection. Since 2015, greenhouse gas emissions into the atmosphere have been recorded and the UN Sustainable Development Principles and Goals have been implemented, since 2019 PJSC TATNEFT has been a member of the UN Global Compact. SDG 13 «Urgent Measures to Combat Climate Change and Its Consequences» has been identified as one of the priority goals

In the strategic planning of its activities, the Company takes into account:

- factors associated with the potential impact of the Paris Agreement climate goals on the global balance of primary energy consumption;
- development of environmental regulation in the Russian Federation and abroad;
- growth of the investors' expectations regarding the long-term sustainability of the business and regulatory requirements for disclosure of information on environmental impact and accounting for all types of emissions, including indirect greenhouse gas emissions, including through the supply chain.

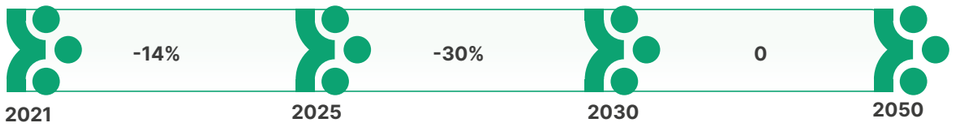
The Company's strategy contains a climate section that takes into account the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). a risk and opportunity analysis associated with climate change and their impact on the TATNEFT Group was performed. The perimeter of the scenarios used for strategic planning of the long-term development of the world and Russian economy and energy includes a climate development scenario that corresponds to the goals of the Paris Climate Agreement; a long-term forecast of greenhouse gas emissions by the Group's enterprises in the strategic development option and a portfolio of projects that allow achieving intermediate goals to reduce greenhouse gas emissions. as part of the regular cycle of business planning and monitoring, the achievement of goals for reducing greenhouse gas emissions and increasing energy efficiency is calculated, set and monitored.

CLIMATE GOALS

TCFD-4.3

The Company confirms its striving to achieve carbon neutrality by 2050 and is maturing opportunities to achieve it in terms of controlled greenhouse gas emissions, according to Scope 1 and 2. Interim targets suggest a reduction in carbon intensity by 14% by 2025 and 30% by 2030 compared to the baseline year 2021. The Company has formed a portfolio of climate projects to achieve intermediate goals for reducing greenhouse gas emissions.

Specific greenhouse gas emissions (Scope 1 and 2)



Levers of decarbonization:

- technological solutions to reduce emissions - reducing direct greenhouse gas emissions, reducing methane emissions, improving energy efficiency, increasing the level of utilization of associated petroleum gas
- CO_2 capture, use and disposal
- development of renewable energy
- biological capture of distributed CO_2 emissions
- formation of an ecological worldview and involvement of the population in the implementation of SDGs

DECARBONIZATION STRATEGY OF THE COMPANY

13 CLIMATE ACTION

IMPLEMENTATION OF SDG 13 PROGRAM AND DECARBONIZATION OF THE COMPANY IS ACHIEVED THROUGH A SET OF SDG

CARBON NEUTRALITY

INTERACTION ON THE CLIMATE AGENDA

GRI 2–28; EM-EP-530a

The Company consistently and comprehensively adheres to initiatives related to transition to carbon neutrality and is an active participant in the discussion and implementation of measures to regulate greenhouse gas emissions at both the national and international levels, and interacts with all parties concerned. Thus, representatives of the Company are members of RUIE committees, the scientific and technical council of the Federal Service for Supervision of Natural Resources (Rosprirodnadzor), a working group on the implementation of the "regulatory guillotine" mechanism in management of the environment and natural resources at the Analytical Center of the Government of the Russian Federation, an interdepartmental working group on the preparation of proposals to reduce the volume of production and consumption waste received at waste disposal facilities, the introduction of separate waste collection, the transition to a circular economy and the application of a mechanism for extended responsibility of producers and importers in terms of processing and disposal of oil product waste, the RUIE commission on the oil and gas industry.

Since 2021, the Company has been an official partner of the Russian Partnership for Climate Conservation, supports the Partnership's initiatives in the climate agenda and achieving the SDGs and takes part in events.

ENVIRONMENTAL MANAGEMENT SYSTEM

GRI 2-12, 3-3; TCFD-1.1, 1.2 SASB EM-EP-160a.1

The Company develops a HSE management system throughout the entire production chain of the TATNEFT Group.

At the operational level, the management system in the field of health, safety and environment (HSE) is provided by two functional divisions:

- Health, Safety and Environment Department*
- Environment Protection and Ecology Department.

The integrated management system consists of three main areas:

INDUSTRIAL SAFETY | **OCCUPATIONAL SAFETY** | **ENVIRONMENTAL SAFETY**

* for more information about the industrial and occupational safety management system, see the «Production Safety" section

The environmental impact management system covers all the main levels of management

Strategic Level	Board of Directors	defines climate policy, risks and opportunities related to climate change, approves carbon footprint reduction goals and assesses progress towards achieving them determines environmental policy, sets strategic goals and development directions; oversees policy implementation approves non-financial reports
	Independent Director responsible for the climate agenda	
	Sustainable Development and Corporate Governance Committee of the Board of Directors (SD&CG Committee)	plans, defines and approves sustainable development goals and measures considers issues of the climate agenda, management of risks and opportunities related to climate change, oversees the achievement of emission reduction goals oversees and evaluates the implementation of measures and the occurrence of risks forms the position on providing information to stakeholders
Operational Level	Governing Council for Sustainable Development	implementation of the Sustainable Development Goals, including issues of climate conservation analyzes and evaluates progress, prepares information for the SD&CG Committee concerning the results achieved, risks, and problems analyzes the quality of the information disclosed and monitors compliance with the reporting standards identifies areas of responsibility within the TATNEFT Group in the field of sustainable development
	Environment Protection and Ecology Department	provides overall management, organization and coordination of work on continuous improvement of the environmental management system in the field of implementation of climate policy and environmental protection
Internal Assessment	Internal Audit Department	performs an independent assessment of the reliability and efficiency of the environmental risk management system at the corporate and business process levels (audit reports are sent to the Company's management and the Audit Committee)
Independent Assessment	External Auditor	performs an independent review of key environmental impact indicators to provide limited assurance of accuracy, completeness and presentation of information
	Public organizations	assess the relevance and completeness of disclosed information on the results of sustainable development activities and the principles of responsible business practices

Since 2006, the Company has been developing an integrated health, safety and environment management system meeting the advanced ISO international standards. Compliance with the standards is confirmed by recertification every three years. Internal and external supervision audits are conducted annually, contributing to the improvement of the management system, increasing the level of competence of employees in these areas.

In order to develop further the management system and improve its effectiveness, the main processes were formalized. in the processes of the functional area, covering all organizations of the TATNEFT Group, responsibility matrices were developed, process efficiency indicators were determined, which were linked to strategic goals in the field of environmental protection.

The Company ensures compliance with ISO standards in the field of environmental management, industrial safety and health protection: ISO 14001:2015, ISO 45001:2018 and GOST R ISO 14001-2016. ISO standards in the field of climate have been implemented: ISO 14064-1:2018, ISO 14064-2:2019, ISO 14064-3:2019

Internal and external supervision audits are conducted annually, contributing to the improvement of the management system, increasing the level of competence of employees in these areas.

Environmental management plans cover all stages of the life cycle of the TATNEFT Group enterprises, including the purchase of raw materials, design, production, transportation (supply), use, final processing or processing and final disposal, conservation, liquidation of facilities, and are determined by the Guidelines for the management system of Health, Safety and Environment of the TATNEFT Group (STO TN 087-2019).

The environmental management policies and practices of the TATNEFT Group enterprises comply with the IFC Performance Standards on Environmental and Social Sustainability, 2012.

RISK MANAGEMENT

TCFD-3.1, 3.2, 3.3

Integration and climate risk management

In the Company, the process of identifying and assessing risks/opportunities related to climate, as well as in the field of Health, Safety and Environment, is part of an integrated risk management process based on the recommendations of national and international standards (ISO 31000:2018 «Risk Management. Principles and Guidelines»; COSO ERM «Risk Management Framework»).

Consideration of climate risks and opportunities related to climate change is mandatory in the Company's governing decisions

Risk and opportunity management is part of the Company's overall management system and a tool embedded in the Company's business processes and used for decision-making at all levels of management, in accordance with ISO 31000:2018 «Risk Management. Principles and Guidelines». The central element of this process is the «Risk Management and Internal Control Policy of PJSC TATNEFT».

The Company has a documented process for identifying, assessing, monitoring and managing climate risks and opportunities as part of the overall risk and opportunity management process. Strategic-level risks are managed in accordance with the «Climate Risk and Opportunity Management» methodology. Operational-level risk management is carried out on the basis of the Standard for Risk Management in the Field of Health, Safety, and Environment. Risk owners are responsible for identifying risk opportunities, developing and implementing risk management measures. Climate risk owners perform regular monitoring and prepare reports on climate risk management.

In 2021, GHG emission targets were included in the KPIs of the heads of business areas.

When evaluating investment projects from 2021, the Company takes into account the risks associated with an increase in CO_2 emissions (Scope 1, 2 and 3), the Board of Directors has set an internal carbon price of $49 per ton of CO_2-eq.

Identification of climate risks

The climate risk management system is built on the basis of completeness and reliability of risk identification, on a comprehensive assessment of their impact on people, tangible assets, the environment and image.

Risks that directly threaten human life and health or cause an environmental disaster are treated by the Company with the highest priority.

In 2022, the Company developed a register of climate risks, which, in accordance with the TCFD classification, includes risks associated with a gradual transition to a low-carbon economy, as well as physical risks. The register of climate risks and opportunities, climate risk management measures and the risk management report are reviewed and approved by the Company's Board of Directors.

Assessment of climate risks and opportunities is carried out at least once a year. When identifying internal or external factors that have the potential to influence the register of climate risks and opportunities, an extraordinary assessment of climate risks and opportunities is carried out.

The risks are divided according to the planning horizon (short, medium and long-term) and are ranked based on expert consensus assessment of the probability and consequences of their implementation, measures for dealing with these risks are determined.

Risks of transition to a low-carbon economy and physical risks

Risk groups	Risk management measures
Market risks	
Description: Reduced demand for oil and petroleum products due to the strengthening of the environmental agenda and a shift in consumer preferences towards products with lower carbon footprint Effect: Change in structure/ decrease in revenue	↗ Reducing the carbon footprint ↗ Increasing the share of fuel segment ↗ Consideration of the internal price of CO_2 in the evaluation of investment projects ↗ KPI system for reducing greenhouse gas emissions
Regulatory risks	
Description: Tightening environmental regulation. Expanding the product coverage of cross-border carbon regulation Effect: Growth of operating costs for inventory, emissions assessment and verification. Possible payments for greenhouse gas emissions	↗ Building an automated system for accounting greenhouse gas emissions ↗ Implementing a program to reduce greenhouse gas emissions ↗ Regular monitoring the legal regulation of greenhouse gas emissions
Reputational risks	
Description: Increased attention of stakeholders to the long-term sustainability of the Company on ESG aspects Effect: Increasing the cost of financial resources and human capital Industrial and occupational safety expenses, ecosystem restoration	↗ Open and transparent dialogue with stakeholders, expanded disclosure of information ↗ Development of the Company's «green» brands ↗ Carrying out preventive measures in the field of accident and injury reduction
Technological risks	
Description: Limited access to low-carbon technologies and equipment, commercial efficiency and the need to modernize production facilities Effect: Growth of capital expenditures, R&D expenses	↗ Implementation of energy efficiency and energy saving program. ↗ R&D on low-carbon technologies
Physical risks (emergency and chronic)	
Description: Increased frequency of extreme weather events, temperature anomalies, changes in precipitation regime Effect: Costs of restoring production facilities, increase in the cost of insurance, interruptions in the operation of transport infrastructure	↗ Implementation of building codes and regulations in the implementation of new construction projects ↗ Insurance against environmental risks. ↗ Provision of assets for temporary storage of finished products

Level of impact

- high
- medium-high
- medium
- low

- Exploration and production
- Oil and gas refining
- Power generation
- Petrochemicals
- Retail business
- Composite materials

For more information about climate risks, see Appendix No. 2.

In order to minimize risks and increase safety, methods of preventing losses and reducing the cost of compensating for damages of realized risks are improved, insurance of negative events is organized.

The TATNEFT Group on an ongoing basis provides insurance against the risks associated with damage to the environment. Insurance contracts are concluded for hazardous production facilities of the Company.

CLIMATE-RELATED OPPORTUNITIES

TCFD-4.3

The course on conscious consumption, concern for the environment and human health creates opportunities for business development. The Company sees significant potential in the implementation of a program to improve energy efficiency and energy conservation, increase the rational use of associated petroleum gases, develop biotechnological projects, increase the share of low-carbon and recyclables in oil refining and composite products, expand the network of gas filling stations and the collection of recyclables for further processing.

Climate change opportunities and financial impact	Measures to implement opportunities
Climate change opportunities and financial impact	
Economic effect of reducing energy consumption.	↗ Energy efficiency and energy saving program. ↗ Increasing the rational use of APG ↗ Implementation of the recycling water supply system ↗ Usage of recyclables as raw materials
Low carbon footprint products and services	
Change in the structure / growth of revenue from the sale of products with high environmental characteristics.	↗ Expansion of the product line with high environmental characteristics, including the use of low-carbon and recyclables ↗ Expansion of the CNG/LNG refueling network ↗ Study of the possibilities of processing CO_2 into commercial products, the use of CO_2 to increase oil recovery
Energy sources/ Low carbon footprint materials	
Cost reduction, including through the synergy of assets within the Group.	↗ Introduction of the principles of circular economy ↗ Use of renewable energy ↗ Program for the use of composite and biocomposite materials in capital construction

Level of impact

- high
- medium-high
- medium
- low

GRI 3-3

Contribution to the environment protection

In 2023, the contribution to the environmental protection amounted to RUB 18.9 billion. The increase in contribution to environmental protection is associated with the construction and commissioning of water supply and sewerage networks and structures at JSC TANECO, the technical upgrading of flare gas recovery units with compressor units, the sealing of sewage treatment facilities and the installation of an exhaust air system, and work on a combined sulfur production unit.

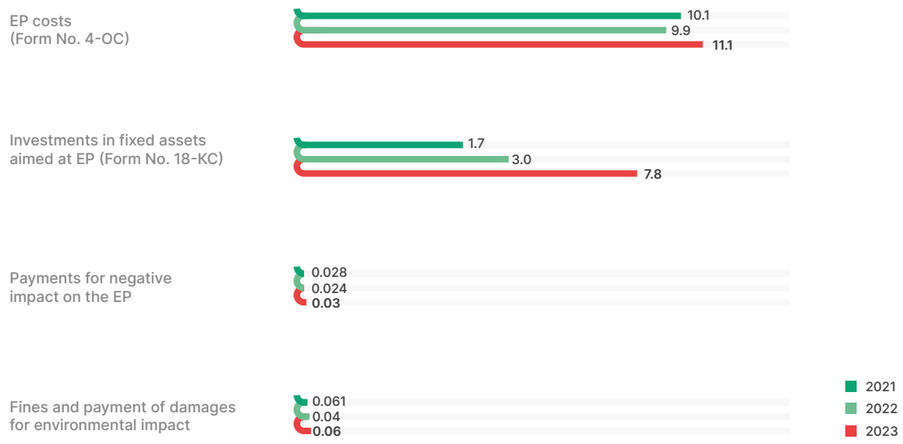
The calculation of environmental protection costs was made on the basis of reports on the forms of federal statistical observation No. 4-OC «Information on current environmental protection costs» and No. 18-KC «Information on investments in fixed assets aimed at environmental protection and rational use of natural resources».

Depreciation charges for the restoration of fixed assets for environmental protection for the TATNEFT Group, in addition to its contribution to environmental protection, amounted to RUB 4.9 billion.

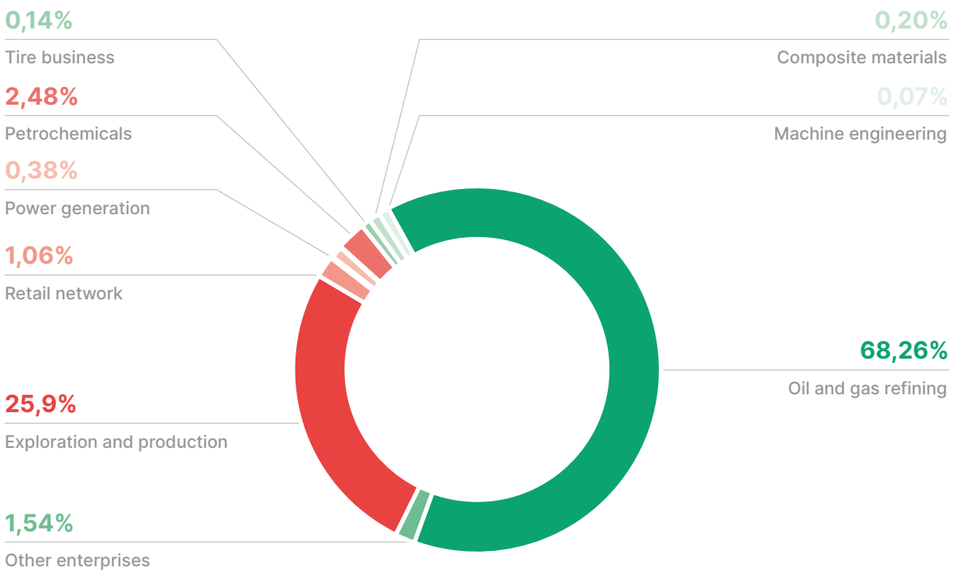
Contribution to environmental protection in business areas

* the amount was adjusted due to the transfer of part of the investments aimed at the construction of the water unit (JSC TANECO)

Item of expenditures, RUB billion

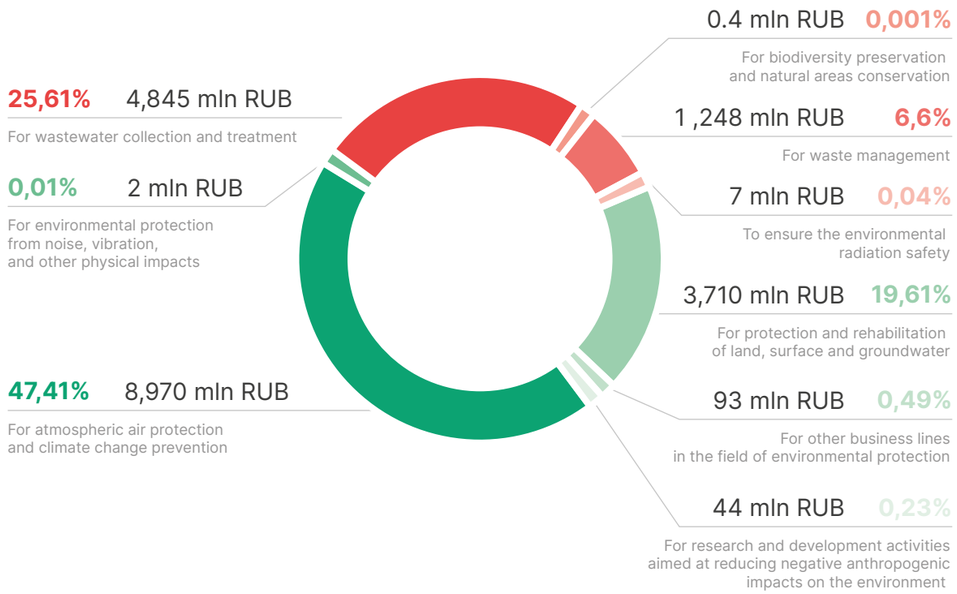


Contribution to environmental protection in business areas



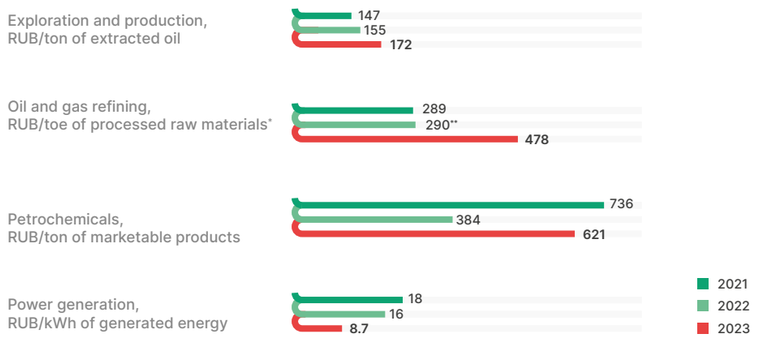
Large-scale environmental protection activities of the TATNEFT Group enterprises were financed from their own funds on a priority basis.

Contribution to environmental protection in accordance with CEPA 2000 classifier


25,61% 4,845 mln RUB
For wastewater collection and treatment
0,01% 2 mln RUB
For environmental protection from noise, vibration, and other physical impacts
47,41% 8,970 mln RUB
For atmospheric air protection and climate change prevention
0.4 mln RUB 0,001%
For biodiversity preservation and natural areas conservation
1 ,248 mln RUB 6,6%
For waste management
7 mln RUB 0,04%
To ensure the environmental radiation safety
3,710 mln RUB 19,61%
For protection and rehabilitation of land, surface and groundwater
93 mln RUB 0,49%
For other business lines in the field of environmental protection
44 mln RUB 0,23%
For research and development activities aimed at reducing negative anthropogenic impacts on the environment

The volumes of financing of environmental protection measures in accordance with the European Classification of Environmental Protection Activities and expenditures, CEPA 2000) are distributed into 9 areas.

Specific environmental protection costs in business areas



* data for JSC TANECO and Tatneftegazpererabotka Division

** the amount was adjusted due to the transfer of part of the investments aimed at the construction of the water unit (JSC TANECO)

Environmental program

The achievement of the established goals in the field of environmental safety, reduction of environmental impact, including in the field of climate aspects and greenhouse gas emissions, is implemented through consistently formed environmental programs.

Since 1990, four environmental programs have been successfully implemented. The applied integrated approach to solving environmental issues has made it possible to improve the state of the environment and reduce the man-made impact of oil production. Since 2021, the fifth environmental program of the Company developed for the period up to 2025 in order to maintain the environmental condition of the Company's region of activity at a legally permissible level corresponding to the potential possibilities of self-restoration of natural ecosystems, has been in effect.

Penalty amount and payment of damages for environmental impact, RUB billion

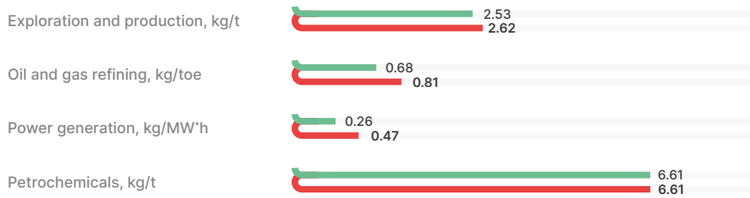
No significant cases of non-compliance with environmental legislation were identified

The environmental program consolidates the efforts of all TATNEFT Group enterprises to preserve the quality of the environment. The program takes into account the legislative requirements for environmental protection, as well as additional obligations assumed by the Company. The program is based on a risk-oriented approach and aims to reduce the man-made impact on the environment.

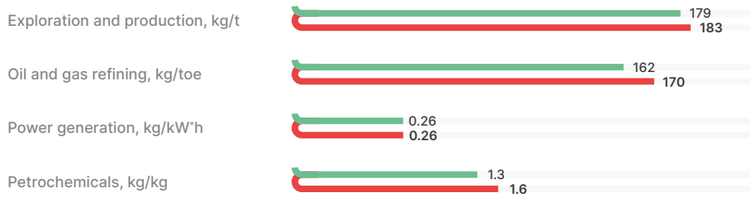
Objectives to reduce the negative impact on the environment and their achievement by business areas

SASB EM-EP-110a.1, EM-RM - 110a.1

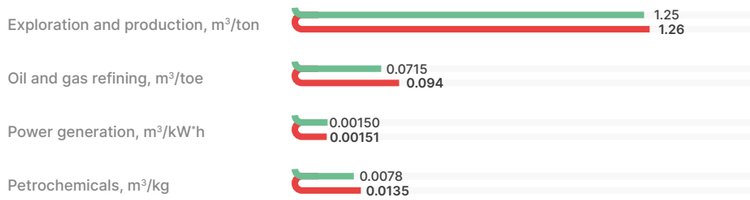
Reduction of specific pollutant emissions



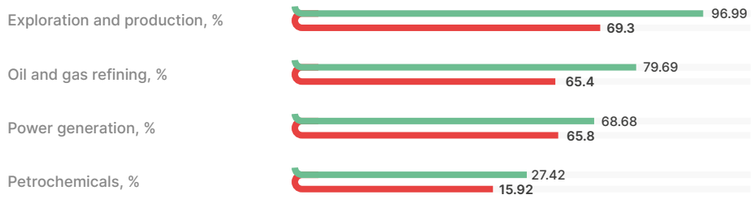
Reduction of specific greenhouse gas emissions Scope-1+ Scope-2



Reduction of specific consumption of fresh water for own needs



Increase in the share of recycled waste



APG utilization level

AIR EMISSIONS

GRI 2-4, 305-1, 305-2, 305-3, 305-4, 305-5 | TCFD-4.1, 4.2 | SASB EM-EP-110a. 1, 110a. 2, 110a. 3, 420a. 2

GHG Emissions

The most important element of the climate risk management system is the assessment of greenhouse gas emissions. At the corporate level, the Company's strategic goals for reducing greenhouse gas emissions have been approved. Control and accounting of greenhouse gas emissions are regulated by the internal standard «Greenhouse Gas Emissions Management». The system of accounting and reporting on greenhouse gas emissions in the TATNEFT Group complies with the standards and recommendations of the Greenhouse Gas Protocol (GHG Protocol), ISO 14064 and aims to ensure disclosure of information regarding climatic aspects in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

The Company keeps records of greenhouse gases generated during production activities:

- **carbon dioxide (CO_2)**, formed during the combustion of fuel at stationary combustion source (boiler units, furnaces and other heat engineering equipment), as a result of the combustion of gas at flare units, from industrial processes related to the processing of oil at oil refineries, when burning waste, as well as when using fuel by vehicles
- **methane (CH_4)**, emissions of which are carried out as a result of gas combustion at flare units, during the operation of treatment facilities, from waste disposal, from leaks of technological equipment, as a result of the removal of process gases into the atmosphere through candles (diversion, dispersion, bleaching) without combustion or catalytic oxidation

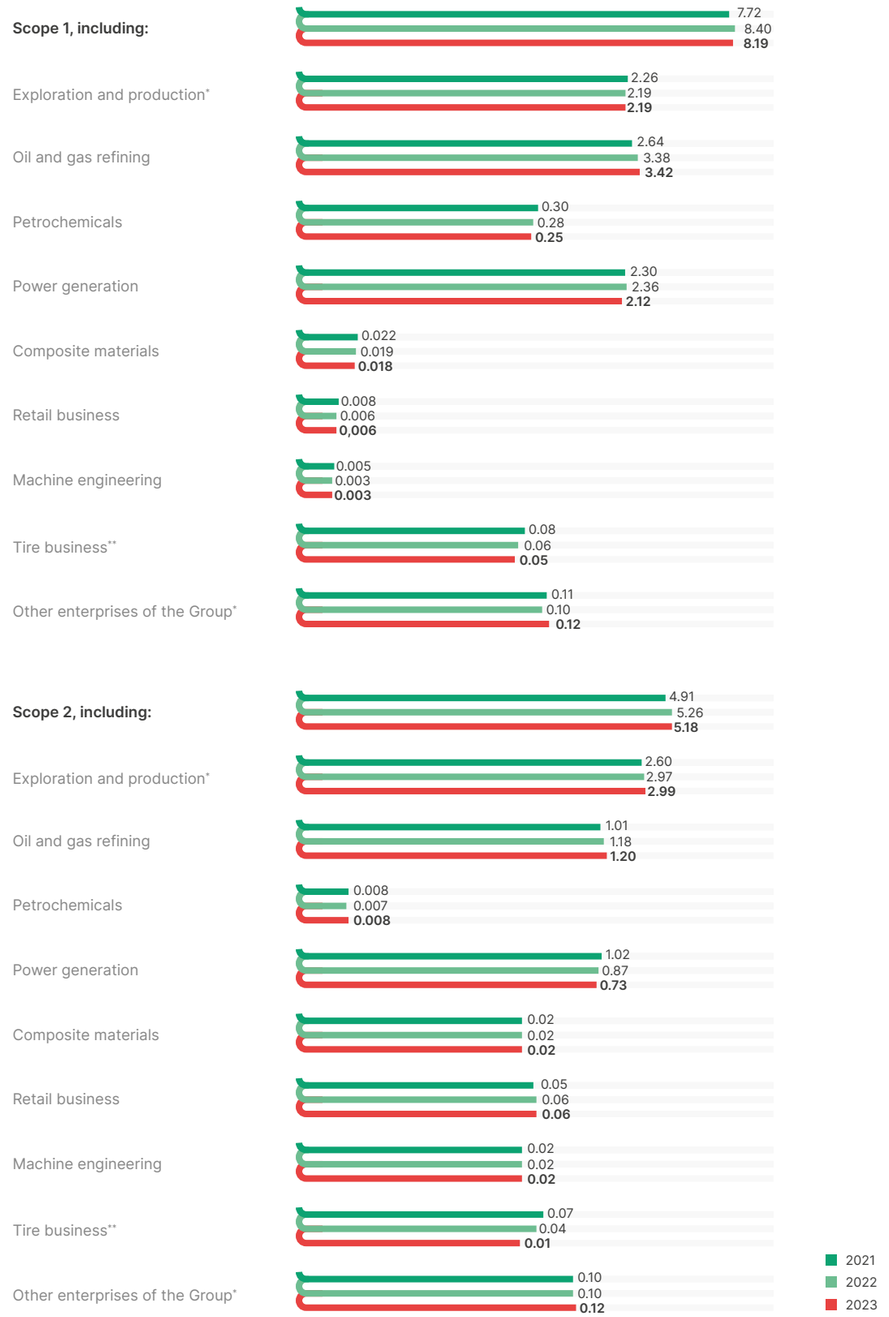
The total mass of direct emissions consists of 95% carbon dioxide and 5% methane (according to the list of greenhouse gases in respect of which state registration of greenhouse gas emissions and maintenance of a greenhouse gas inventory are performed, approved by Decree of the Government of the Russian Federation No. 2979-r dated 22.10.2021, a global warming potential (GWPi) equal to 25 is used to convert methane (CH_4) into tonnes of CO_2-eq.

There are no other names of greenhouse gases in the direct emissions of the TATNEFT Group enterprises (according to the classification established by Decree of the Government of the Russian Federation No. 2979-r dated 22.10.2021).

According to the recommendations of the GHG Protocol Corporate Standard, 2021 (the year of inclusion of the climate section in the Company's Development Strategy) was chosen as the base year for consistent comparison of emissions over time.

Due to the change in the perimeter of the TATNEFT Group in 2023, greenhouse gas emissions were recalculated in order to compare correctly the dynamics of emissions for the TATNEFT Group.

Greenhouse gas emissions (Scope 1, Scope 2), mln tonnes CO_2-eq..

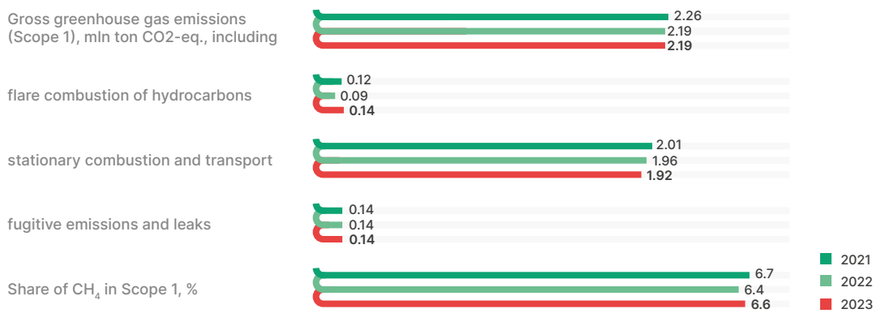


The sum of indicators in some lines may not match the total due to rounding.

* Due to the internal redistribution of enterprises within business areas, data have been recalculated to the base year.

** Tire business enterprises Ikon Tyres LLC and FC Birinchi Rezinotexnika Zavodi LLC have been included in the TATNEFT Group since 2023

Direct greenhouse gas emissions in the Exploration and Production business area by source



Greenhouse gas emissions from TATNEFT Group enterprises are not subject to legal restrictions.

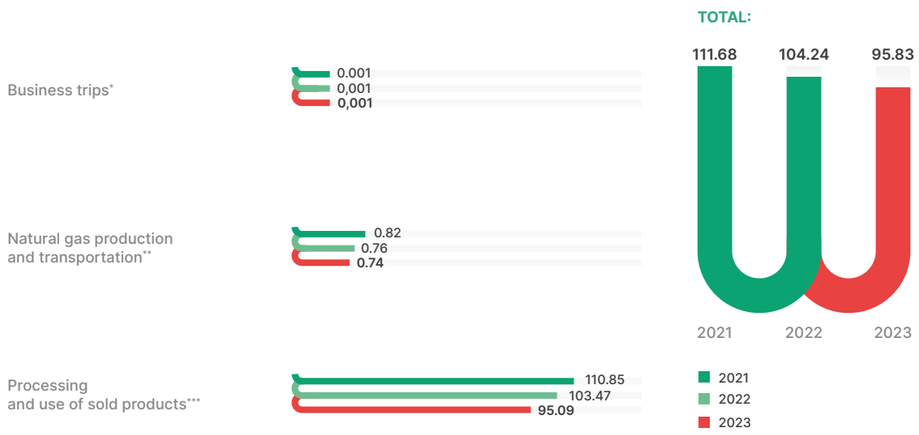
The Company uses technologies to reduce the use of electricity and heat through the use of pellet boilers. in accordance with the Guidelines for Quantifying Emissions when Assessing Greenhouse Gas Emissions from the use of biomass, these data are not combined with other greenhouse gas emissions.

Scope 3 perimeter of accounting for indirect greenhouse gas emissions includes greenhouse gas emissions from employee air travel.

Greenhouse gas emissions (Scope 1), t CO_2-eq.

data are calculated on the basis of Guidelines for conducting a voluntary inventory of greenhouse gas emissions in the subjects of the Russian Federation, approved by Order of the Ministry of Natural Resources of the Russian Federation No. 15-r dated April 16, 2015

GHG Emissions (Scope 3), million tonnes of CO_2-eq.



* * Calculation of GHG emissions during air travel is carried out using the ICAO calculator.

** Calculation of GHG emissions from consumed natural gas is carried out on the basis of data on specific emissions of natural gas production, transportation and processing by Gazprom PJSC.

*** the calculation of GHG emissions during the processing and use of sold products is carried out on the basis of the coefficients of the Methodology approved by Order of the Ministry of Natural Resources of the Russian Federation No. 371 dated 27.05.2022

Applied techniques:

A) Direct greenhouse gas emissions (Scope 1) are calculated in accordance with the requirements of the following regulatory documents:

- Order of the Ministry of Natural Resources of Russia No. 371 “On Approval of Methods for Quantitative Determination of Greenhouse Gas Emissions and Absorption of Greenhouse Gases” dated 27.05.2022.
- The Greenhouse Gas Protocol (A Corporate Accounting and Reporting Standard

B) Calculations of indirect greenhouse gas emissions (Scope 2) were carried out in accordance with the requirements of the following regulatory documents:

- Order of the Ministry of Natural Resources of the Russian Federation No. 330 «On Approval of Guidelines for Quantitative Determination of Indirect Energy Emissions of Greenhouse Gases» dated 29.06.2017

For Scope 2 calculations, the coefficient of energy emissions provided by LLC Nizhnekamskaya CHP was used.

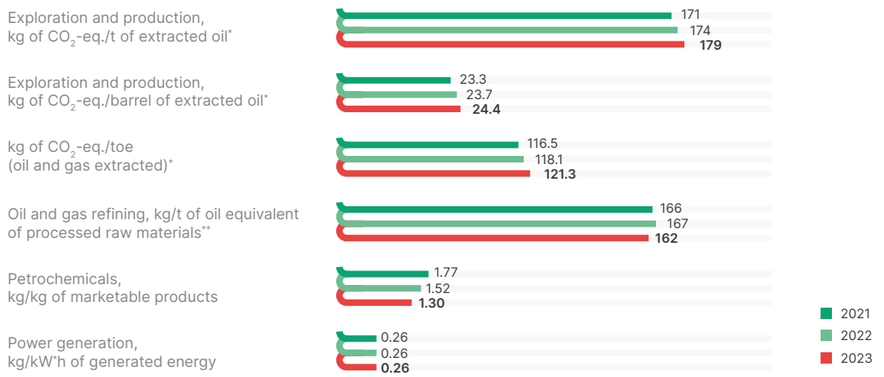
C) Calculations of indirect greenhouse gas emissions (Scope 3) were carried out in accordance with the requirements of the following regulatory documents:

- The Greenhouse Gas Protocol (A Corporate Accounting and Reporting Standard);
- Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

GHG emission intensity

Scope 1

Scope 1 + Scope 2



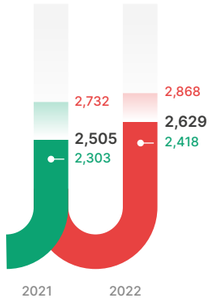
* Data for 2021-2022 has been updated, the calculation includes emissions from Tatneft-Production Business Unit, PJSC TATNEFT, and Tatneft-Samara LLC.

** the calculation includes emissions from JSC TANECO and Tatneftegazpererabotka Division of PJSC TATNEFT.

Potential carbon dioxide emissions from proven hydrocarbon reserves

SASB EM-EP-420a.2

Proven reserves, thousand tonnes of oil (Gg)



Potential greenhouse gas emissions, million t CO2-eq.
upper limit
lower limit

In 2023, the Company did not carry out an audit of hydrocarbon reserves.

Carbon footprint reduction projects and progress

TCFD-4.3 GRI 305-5

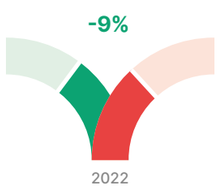
To achieve SDG 13 indicators, the Company has created a portfolio of projects aimed at reducing its carbon footprint, including projects to improve energy efficiency, increase the utilization of associated petroleum gas, and reduce methane emissions.

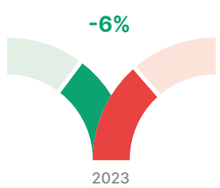
In 2023, the potential of the Greenhouse Gas Emissions Reduction Program has been increased from 2.4 million tonnes of CO_2-eq. To 2.5 million tonnes of CO_2-eq. (4.2%). The environmental effect of the Program implementation in 2023 amounted to 0.36 million tonnes of CO_2-eq. The cost of implementing measures in 2023 is RUB 1.34 billion. The achieved effect for 2021-2023 amounted to 1.1 million tonnes of CO_2-eq.*.

13 CLIMATE ACTION

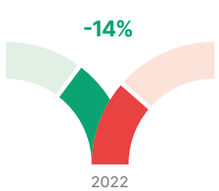
GOAL OF SDG 13 BASE YEAR - 2021

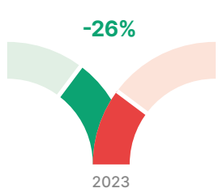
Scope 1 + Scope 2 specific GHG emissions to be reduced by 14% and 30% by 2025 and 2030, respectively.





reduction of specific emissions in the Exploration and Production business area, kg CO2-eq./t of oil produced

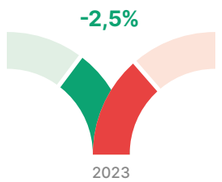




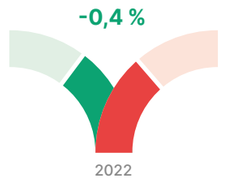
reduction of specific direct and indirect emissions (Scope 1+2) in the Petrochemicals business area, kg/kg of marketable products**

* the environmental effect of the implementation of the Greenhouse Gas Emissions Reduction Program is calculated as the difference between the baseline (i.e., the calculation of greenhouse gas emissions in the absence of measures) and the result of a quantitative assessment of actual greenhouse gas emissions, taking into account changes in the level of production activity. The calculation takes into account greenhouse gas emissions Scope 1,2,3.

** The target indicator for Petrochemicals was achieved due to the implementation of projects of Togliattikauchuk LLC for the technical updating of flare units, optimization of fuel gas consumption at process units, implementation of an energy saving program, reduction of thermal energy consumption from third-party suppliers, as well as the conversion of the boiler house of EKOPET JSC from fuel oil to gas



change in specific direct and indirect emissions (Scope 1+2) in the Oil and Gas Refining business area, kg of CO2-eq./toe, processed hydrocarbons



reduction of specific direct and indirect emissions (Scope 1+2) in energy production (kg/kWh of generated energy)

Results of projects to reduce greenhouse gas emissions:

Projects to increase the level of beneficial use of waste gases, technical updating of flare units at an oil refinery, repair and technical updating of superviscous oil boiler houses	**>140,000 tonnes of CO_2-eq. emissions.**
Project to retrofit tank farms with vapor recovery units	**6,400 tonnes of CO_2-eq.**
Use of renewable energy sources	**2,200 tonnes of CO_2-eq.**

Climate portfolio of TATNEFT projects: USD 8,178.

TATNEFT's climate portfolio of projects includes 7 projects* with a total potential for reducing greenhouse gas emissions of more than 200,000 tonnes of CO_2:

- connecting the pipeline from DNS-102k to TsDNG-1 to the gas pipeline DNS163-BUSO TsKPiPN UGS
- construction of a flare system at the Minnibaevsky Gas Processing Plant
- reconstruction of DNS-5 NGDU Elkhovneft
- construction of a gas pipeline from DNS-6c to the Devonian gas pipeline from DNS-6a
- expansion of the gas collection system from facilities GZNU-110, DNS-2C
- construction of a gas pipeline from DNS-1539c
- construction of a gas pipeline with DNS-4972c

* The increase in specific emissions is associated with the commissioning of new process units

** The increase in specific emissions is associated with the inclusion of new units in the metering perimeter

*** as of 01.04.2024, according to the Russian Register of Carbon Units

Pollutant Emissions

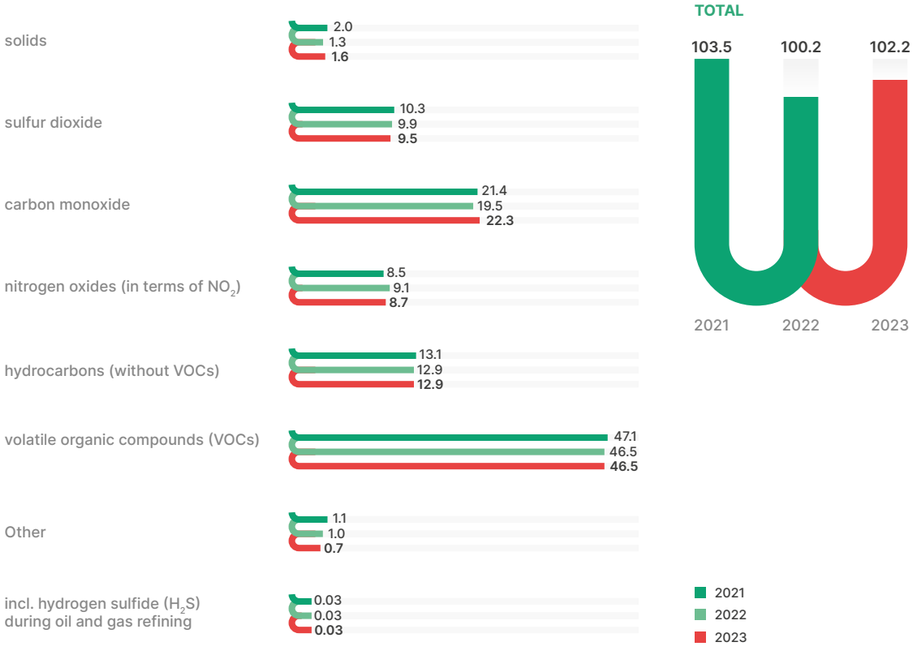
GRI 305-6, 305-7 SASB EM-EP-120a.1, EM-RM-120a.1

In 2023, gross emissions of pollutants into the atmospheric air by the TATNEFT Group amounted to 102,200 tonnes, which is 2% more than in 2022. The increase in emissions of pollutants into the atmospheric air is associated with the implementation of preventive maintenance at the facilities of the Tatneft Gas Processing Division (Tatneftegazpererabotka).

Measures aimed at reducing emissions of pollutants into the air:

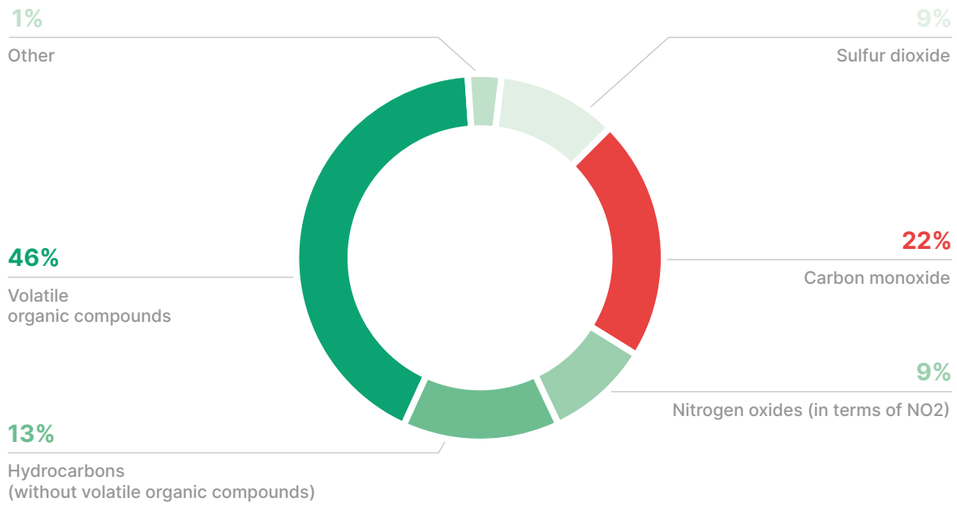
- modernization of production using the best technologies, equipment, materials, digital process control solutions
- improving the energy efficiency of production processes and ensuring resource conservation
- maintaining of the technical condition of oilfield equipment at the appropriate level;
- retrofitting the PJSC TATNEFT facilities with vapor recovery systems (VR) of hydrocarbons released from tank and reservoir equipment;
- reduction of volumes of associated petroleum gas burned in flare units;
- purification of associated petroleum gas at desulfurization plants;
- replacement of flare units with sootless combustion units;
- repair and replacement of tanks and other storage tank equipment, application of anticorrosive coating, and equipping the tanks with electrochemical protection means;
- overhaul and replacement of commercial oil and gas pipelines;
- improving the environmental performance of vehicles;
- use of gas return fuel dispensers during the reconstruction of gas stations.

Gross emissions of pollutants into the atmospheric air*, Ktonnes

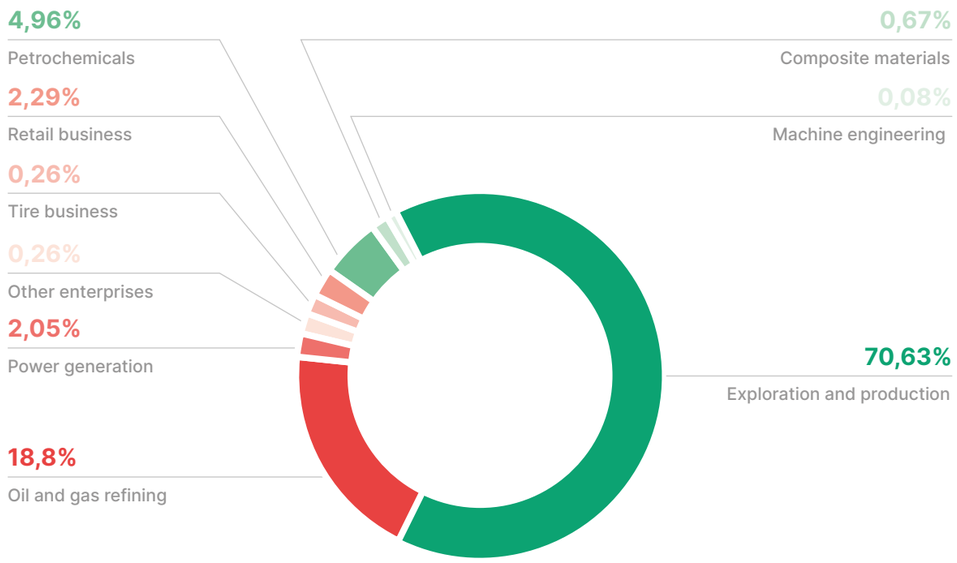


* Indicators on emissions of pollutants into the atmospheric air are formed on the basis of indicators reflected in the forms of state statistical reporting (2-TP air).

Composition of gaseous pollutant emissions



Gross emission distribution of pollutants into the atmospheric air by business areas



Air pollutant emissions rate

Emissions of ozone-depleting substances

The TATNEFT Group does not use ozone-depleting substances on an industrial scale, nor does it produce them.

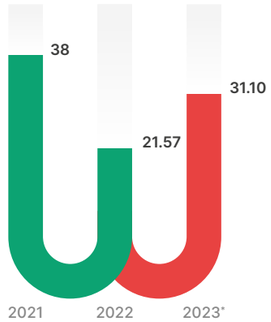
Efficient use of associated petroleum gas

The Company is implementing a program to improve the rational use of associated petroleum gas. Due to the steps taken over the past 15 years, the level of APG utilization in the TATNEFT Group has reached 98.13%. All activities are aimed at maintaining environmental safety and reducing the impact on the environment in the territory of the Company's operations, as well as minimizing the carbon footprint. in 2021-2023, the volume of APG flaring was reduced by 18,4%.

As part of a comprehensive program, the Company has implemented the following projects:

- y• increase in production capacity for purifying APG from hydrogen sulfide
- • expansion of the gas collection system from unconnected separation points at oil production facilities
- • automatic gas pumping to improve process energy efficiency
- • installation of pipelines made of domestically produced polymer materials, allowing to completely eliminate leaks of associated petroleum gas
- • introduction of automatic vapor recovery systems, eliminating the release of hydrocarbon gases into the air from reservoirs and tanks
- • installation of return lines for liquid condensing in the cavities of gas pipelines, eliminating the risk of clogging of gas pipelines, leading to unscheduled gas flaring

APG flared volumes of TATNEFT Group mln m³

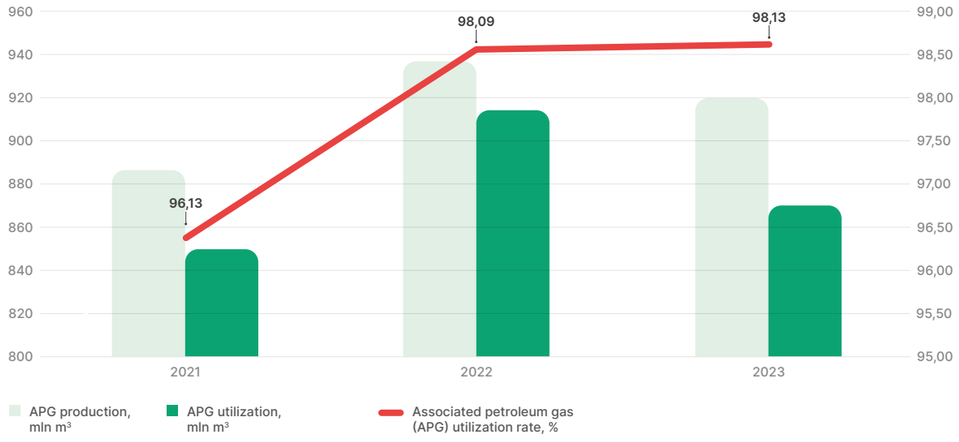


98.13%

APG utilization rate

* increase in the volume of APG flaring is due to the temporary shutdown of oil and gas refinery facilities during scheduled maintenance

APG utilization level, %



The APG utilization level is represented by the ratio of the amount of associated petroleum gas flared to the volume of associated petroleum gas produced.

APG utilization levels are calculated in accordance with Decree of the Government of the Russian Federation No. 1148 dd. 08.11.2019 'Regulations on the Specifics of Calculating Payment for Negative Environmental Impact of Pollutants Emissions into the Atmosphere from Flaring and (or) Dispersion of Associated Petroleum Gas'

To increase the level of associated petroleum gas utilization, measures were taken to connect separation points to the gas gathering system, organize multiphase transport of well products and use gas for own process needs.

WATER INTAKE AND WATER CONSUMPTION

GRI 3-3, 303-1, 303 – 2, 303 – 3, 303 – 4, 303 – 5 | SASB EM-EP-140a.1, EM-RM-140a.1

Caring for the planet is an integral part of our mission, which is aimed at mitigating the effects of climate change through a responsible approach to the use of water – a vital resource for the Earth and for humanity.

The use of water resources is necessary for the implementation of the activities of all business areas of the TATNEFT Group - from oil and gas production to the sale of products. At the same time, the Company defines water as a strategic resource for the protection of biodiversity and human health, socio-economic development and industrial activities. We are committed to the optimal management of water resources at all stages of activity in harmony with the needs of the territories in accordance with the UN Sustainable Development Goals.

The Company's main approach to solving the problem of rational water use:

- ↗ application of recycling and re-water supply systems
- ↗ increasing of the degree of wastewater treatment
- ↗ reduction of water intake from natural sources

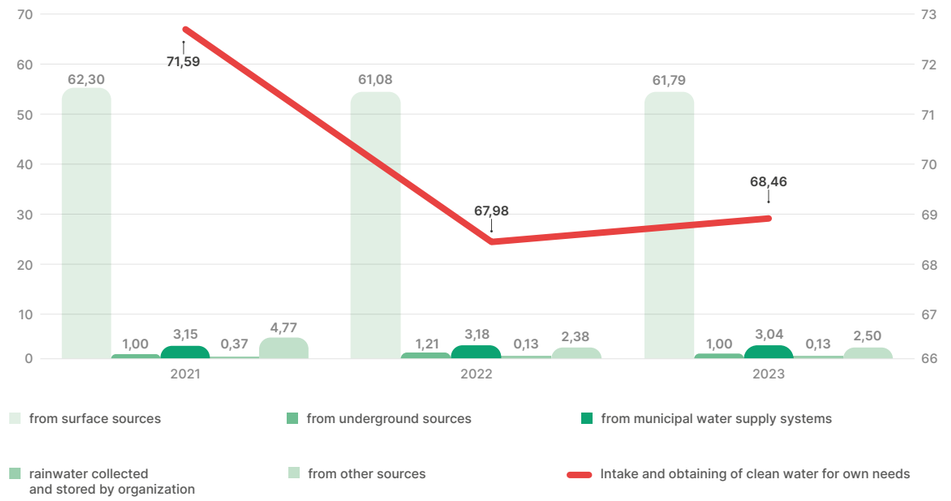
The territory of the main production activity of the Company belongs to the regions that do not experience a shortage of fresh water. According to the Water Strategy of the Russian Federation for the period until 2020 (approved by Decree of the Government of the Russian Federation No. 1235-r dated August 27, 2009)

Consumption of «fresh water»*, water use and access to water facilities for the TATNEFT Group in Russia is carried out in accordance with the legislation of the Russian Federation, on the basis of water use agreements, decisions on the provision of water facilities for use, licenses for the right to use subsoil for the purpose of extracting groundwater, as well as resolutions of local regulatory authorities, this makes it possible not to expose local communities and the natural environment to the risk of water scarcity.

The collection of data on water accounting is carried out according to the rules for the formation of state statistical reporting, and, if such reporting is not provided, on the basis of economic contracts for water consumption and sanitation.

The Company's position in the field of management of activities for the protection and rational use of water resources

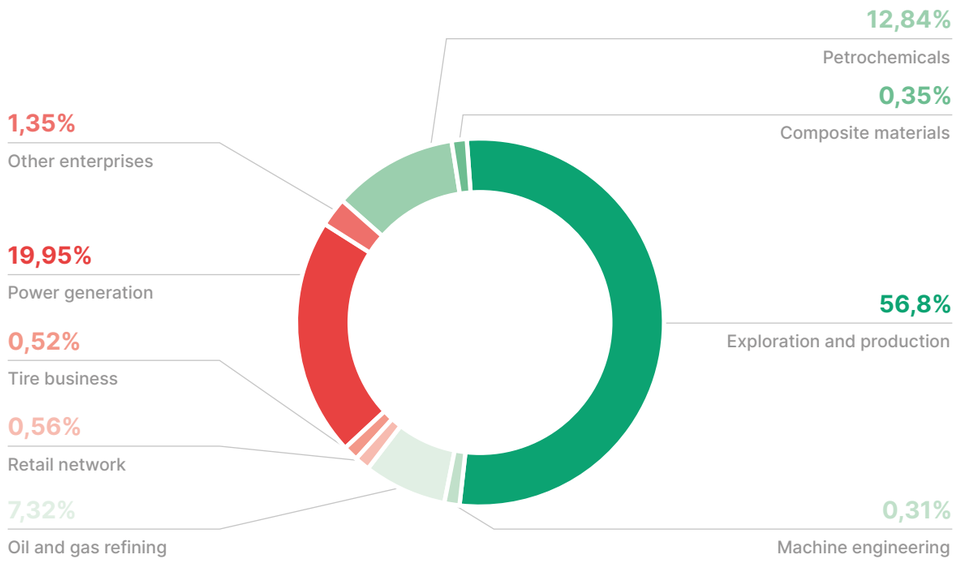
Water consumption, mln m³



In 2023, gross water consumption across the TATNEFT Group increased by 0.50 mln m3 (less than 1% compared to 2022), due to:

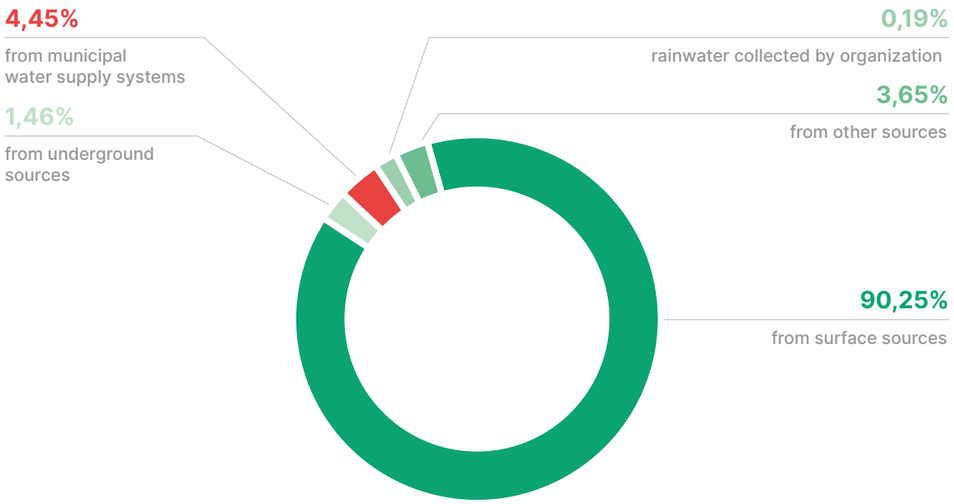
- ↗ an increase in the volume of well construction (the process of drilling the said horizons is performed in fresh water to protect upper aquifers);
- ↗ the inclusion of the TATNEFT Group's tire business in the perimeter.

Water consumption for production needs in business areas



* «Fresh water» is water taken from surface and underground sources, rainwater and water received from third parties under water supply contracts. It is used for both production and household and other needs of the Company. According to international standard GRI 303, «fresh» water is water containing less than 1,000 mg/l of dissolved solids (the definition is based on ISO 14046:2014). in this section, unless otherwise indicated, we talk about «fresh water».

Water withdrawal for own needs by types of sources



The Company withdraws water from various sources, including ground and surface water bodies. The main sources of water withdrawal are the Kuibyshev storage reservoir, the Volga, the Kama, the Stepnoy Zai, the Yamashka, the Sterlya, the Shabiz rivers. Water is also supplied by third-party organizations under water supply contracts and as part of the organized collection of meltwater and stormwater runoff from the territories of enterprises.

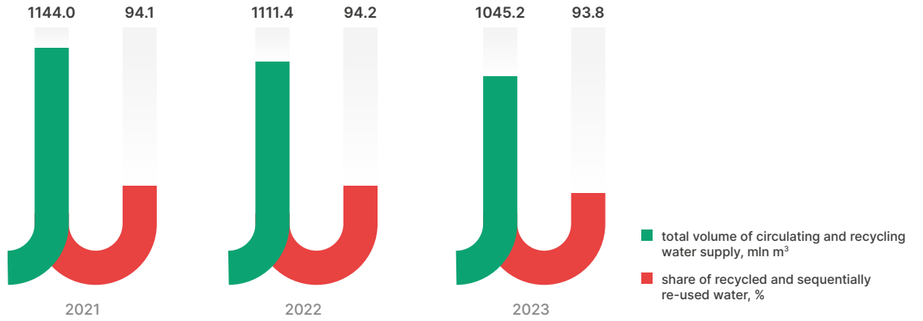
The TATNEFT Group does not have a significant impact on natural water sources by the water withdrawal. Water withdrawals from surface and underground sources do not exceed the allowable withdrawal limits.

Use of water for various needs

63% of consumed water is used for production needs, 5% for household and drinking needs.

SASB EM-EP-140a.1, 140a.2; EM-RM-140a.1

Recycled and reused water, mln m³



An important indicator for the characteristics of rational water use is the costs in the systems of recycled and reused water.*

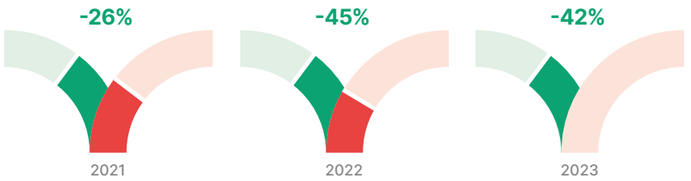
In 2023, the share of recycled and reused water was 93.8% of the total volume of water used for production needs, which saves the amount of water withdrawn (clean water) from the external environment.
The decrease in the volume of recycled water supply is due to a decrease in the production of synthetic rubbers, which are water-intensive products;
a reduction in the operation of condensing units and the turbine unit of LLC Nizhnekamsk CHP due to being under repair.

Water extracted along with hydrocarbons, subsequently pumped into the reservoir to maintain reservoir pressure, mln m³

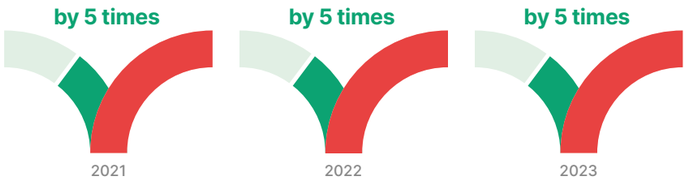
* Data are given taking into account the volumes of water in circulating water supply systems, sequentially re-(water that has retained quality indicators after application in any technological process and is supplied for reuse without treatment), and also extracted along with hydrocarbons and subsequently used for the purposes of maintaining reservoir pressure, (re-used).

100% ACHIEVEMENT OF SDG 6 GOAL*

20% reduction in wastewater discharges % and increase by 5 times in the ratio of treated and untreated wastewater by 2025



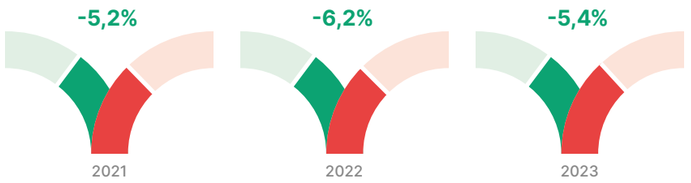
reduction of the volume of water disposal, %



ratio of volumes of treated and untreated wastewater

SDG 6 GOALS*

reduction in the specific use of fresh water for production needs by 7% and increase by 1.5% in the volume of reused and recycled water in relation to used water by 2030



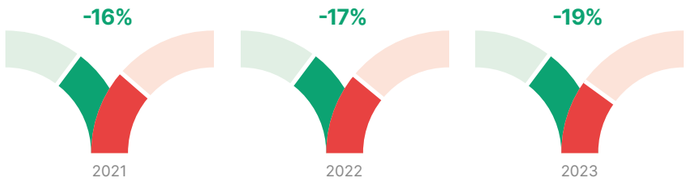
·reduction of water consumption

increase in the volume of recycled and sequentially re-used water

* The achieved results for the goals have been calculated from the 2020 base year.

In connection with achieving the goal of reducing the volume of wastewater discharges, the Company has set a new goal aimed at reducing the share of contaminated wastewater and not exceeding established limits on the volume of wastewater discharged into a water body.

Reduction of freshwater losses during its preparation and transportation



Results of projects to reduce water consumption:

The consumption of river water for production needs has been reduced due to the use of recycled water obtained by changing the supply scheme of the water circulation unit and reconstruction of the main underground water pipeline for river water supply	**1 mln m³**
The use of fresh water has been optimized with the help of technological solutions used at the facilities for the preparation of co-produced water during the extraction of super viscous oil (SVO)	**5.45 mln m³** (since 2018 >20 mln m³)
Return of treated wastewater to the production cycle in full by changing the scheme for preparing make-up water for the circulating water supply system of the Tatneftegazpererabotka Division. There is no discharge of treated wastewater into the Stepnoy Zai river.	**100% return** of treated wastewater to the production cycle

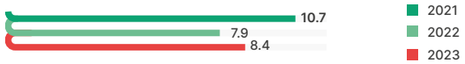
WATER DISPOSAL

GRI 303 – 4 SASB EM-EP-140a.4; EM-RM-140a.2

Improvement of wastewater quality is one of the important objectives of the environmental safety program.

The Company implements investment projects for technological re-equipment of production, measures are taken to comply with the standards for the content of pollutants in wastewater, to maintain the territory of wastewater disposal sites and places in proper sanitary and ecological condition in order to ensure the regulatory level of wastewater treatment and the complete exclusion of the discharge of contaminated wastewater into the environment. Regular monitoring of wastewater quality is conducted. Wastewater from production processes is sent to treatment facilities in accordance with the standards established by Russian legislation. The Company's laboratories as well as independent accredited organizations monitor compliance with the established standards.

Water disposal into surface water bodies, mln m³



An increase in wastewater disposal volumes by 6% is due to a change in the perimeter of the TATNEFT Group with the inclusion of new tire business enterprises Ikon Tyres LLC, FC Birinchi Rezinotexnika Zavodi LLC; the need to discharge treated water to the Kama River for hydrotesting of pipelines due to their relocation due to the construction of the M-7 highway. Wastewater discharged to municipal sewerage organizations (transferred to a third party after use): 4.9 mln m3.

In 2023, the water quality in the main rivers of the Company's territory was stable.The content of chloride ions, oil and petroleum products in the dissolved and emulsified state in the main rivers did not exceed the established standards of the maximum permissible concentration of substances.

Hydromonitoring

On the territory of the Company's production activities, a regime monitoring network of hydromonitoring functions to monitor the state of surface and underground waters, monitor the impact of the oil production process in order to comply with the license conditions for the use of subsurface resources. The results of the sample analyses are entered into the corporate information system. in 2023, 1,792 points of observation of water bodies were monitored, 8,712 samples were taken, the number of analyses performed was 78,466. Industrial environmental monitoring of water bodies is carried out by the Company's chemical and analytical laboratories. The analysis of waters is carried out according to the parameters characteristic of the influence of production processes, in particular oil production, oil refining.

Preservation of springs (with care for the region)

For almost 30 years, the Company has been carefully caring for the springs in the territory of its activities, paying special attention to the preservation, enhancement and improvement of the water quality in the springs. The quality of water in springs, being a kind of indicator of the activity of oil workers, signals the progress of field development. Therefore, the water quality in springs is kept under special control. Purposeful geological and technical measures carried out by oil workers in the area of activity of the Company's subdivisions, constant monitoring of the reliability of equipment contribute to the prevention of contamination of water sources, allowing to ensure the potential of self-restoration of ecosystems.

In 2023, PJSC TATNEFT once again organized and held an annual competition «For maintaining the aesthetic condition of equipped springs and improving water quality», which has been implemented in the Company since 1995. 24 enterprises of the TATNEFT Group took part in the competition. The springs presented for participation in the competition are distinguished by their originality, skillful use of the natural landscape and natural material. Many of them have become a genuine decoration of the area, settlements, outdoor recreation areas. During this time more than 500 springs have been cleaned, captured and architecturally completed on the territory of the Company's operations.

WASTE MANAGEMENT

GRI 306–1, 306–2, 306–3, 306–4, 306–5 SASB EM-RM-150a.1

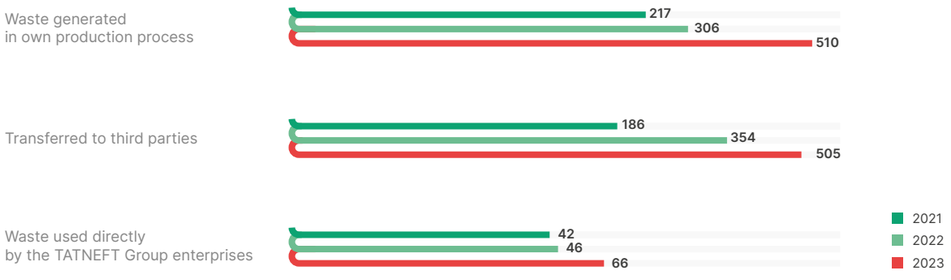
One of the environmental priorities of the TATNEFT Group is the reduction of environmental footprint through reduced production and consumption waste generation and increasing the share of recyclable waste. The Company has implemented the best available technologies, established a complex system of selective accumulation, collection, and disposal of production and consumption wastes and using them as a raw material to produce marketable products. The TATNEFT Group enterprises dispose of 48 types of hazardous recoverable resources, including oil-containing recoverable resources.

When selecting contractors to provide waste management services, the Company takes into account the amount of negative environmental impact from the use of technology (type of waste management operations, the amount of pollutant emissions into the atmosphere and the amount of greenhouse gas emissions per unit of recycled waste, etc.).

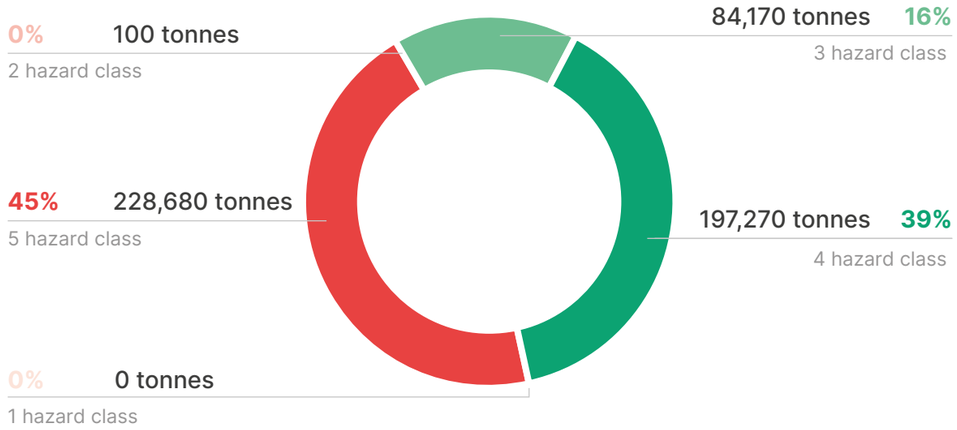
In 2023, the enterprises of the TATNEFT Group generated 510,220 tonnes of waste (of which 281,540 tonnes were hazardous waste, the percentage of hazardous waste processed was 80.3%). The amount of waste generated in 2023 increased by 66.6% compared to last year due to the inclusion of new enterprises in the TATNEFT Group, as well as the commissioning of new gas station facilities and the expansion of related services.

In the course of production activities at enterprises, in accordance with licenses for the right to handle waste, activities are carried out for the collection, transportation, processing, disposal, neutralization, placement of waste of hazard classes I - IV. The amount of waste as of the beginning and end of each reporting year (waste remaining in accumulation) depends on the organization of the production process of processing the resulting waste. Waste at the beginning of the year: 50,140 tonnes. During the reporting period, a partial liquidation of the sludge accumulator (LLC Nizhnekamsk CHP) was carried out. The total volume of processing (utilization) of the sludge accumulator amounted to 31,750 tonnes (LLC Nizhnekamsk CHP). Recoverable resources from other economic entities received for recycling: 39,040 tonnes. Waste at the end of the year: 22,540 tonnes.

Waste management, thousand tonnes

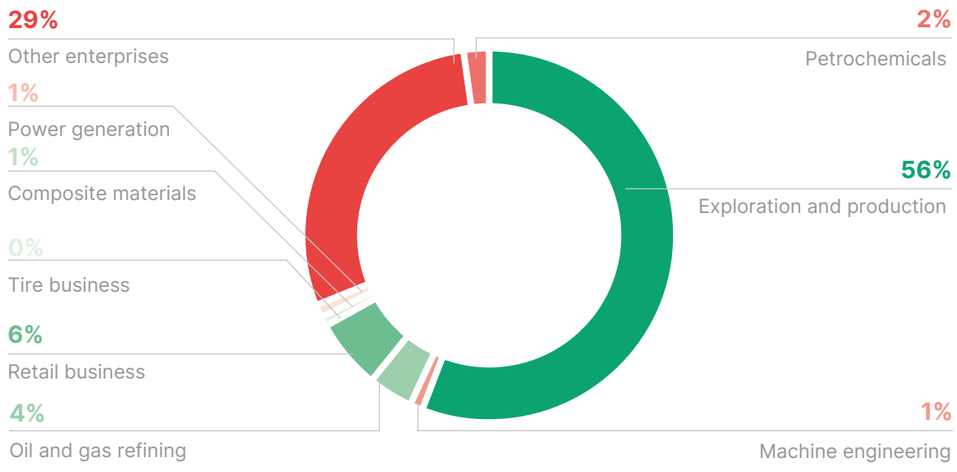


Waste generation by hazard class, %, thousand tonnes



In 2023, waste of hazard class 1-4 was formed – 55% (281,540 tonnes), hazard class 5 – 45% (228,680 tonnes). The data collection methodology is conducted according to the rules for the formation of state statistical reporting in Form No. 2-TP (waste).

Waste generation by business areas, %



Waste management by business areas, thousand tonnes

	Generated			Disposed of and treated			Sent for dumping and neutralization		
Business area	2021	2022	2023	2021	2022	2023	2021	2022	2023
Exploration and production, including:	58.76	191.28	285.67	44.89	176.21	276.98	14.66	19.99	8.99
Workover and Drilling business area	10.55	117.59	194.43	10.41	116.12	192.45	0.15	1.48	1.98
Machine building	1.69	1.45	2.92	0.81	0.72	2.07	0.88	0.73	0.85
Oil and gas refining	17.84	14.19	22.63	14.61	11.49	18.14	4.48	3.53	4.11
Retail business	24.83	29.68	31.92	0.39	1.50	2.70	24.46	28.25	29.34
Tire business	25.65	-	1.41	17.56	-	0.49	15.48	-	0.92
Composite materials	4.63	3.84	4.81	0.50	0.57	0.96	4.13	3.27	3.85
Power generation	2.95	3.48	3.98	1.11	82.37	32.03	0.45	0.59	0.47
Other enterprises	69.21	51.11	145.49	80.58	50.74	174.31	7.76	15.66	9.27
Petrochemicals	11.26	11.23	11.39	2.04	2.16	3.15	10.12	9.56	8.26
Geological exploration*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	216.81	306.24	510.22	162.49	325.76	510.83	82.43	81.58	66.04

* in connection with the reorganization of the Company's structure in 2021, the waste indicators of the «Exploration» business area are included in the «Exploration and Production» business area.

Data for 2021 and 2022 have been recalculated due to the internal distribution of enterprises by business area.

The sum of indicators in some lines may not match the total due to rounding.

Waste management (recycling, treatment), thousand tonnes

	On the territory of the enterprises of the Group			Outside the enterprises of the Group			total		
Waste management type	2021	2022	2023	2021	2022	2023	2021	2022	2023
Hazardous waste									
Disposed	5.17	7.39	13.27	49.74	143.25	225.32	54.91	150.64	238.59
Processed	0.00	0.00	0.00	0.08	0.23	2.01	0.08	0.23	2.01
Total	5.17	7.39	13.27	49.82	143.48	227.33	54.98	150.87	240.60
Non-hazardous waste									
Disposed	36.45	38.66	53.12	70.71	135.77	215.70	107.16	174.42	268.82
Processed	0.00	0.00	0.00	0.35	0.47	1.40	0.35	0.47	1.40
Total	36.45	38.66	53.12	71.06	136.24	217.10	107.51	174.89	270.22

Data for 2021 and 2022 have been recalculated due to the internal distribution of enterprises by business area.

the sum of indicators in some lines may not match the total due to rounding.

Waste management (neutralization, dumping), thousand tonnes

Waste management types	On the territory of the enterprises of the Group			Outside the enterprises of the Group			Total		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Hazardous waste									
Neutralization	2.96	0.00	0.00	20.77	27.57	19.83	23.73	27.57	19.83
including incineration	2.96	0.00	0.00	5.90	0.16	1.14	8.86	0.16	1.14
- with energy generation	2.96	0.00	0.00	0.00	0.00	0.00	2.96	0.00	0.00
- without energy generation	0.00	0.00	0.00	5.90	0.16	1.14	5.90	0.16	1.14
Dumping (except for MSW - municipal solid waste)	12.17	7.11	5.11	16.63	15.99	16.19	28.80	23.09	21.30
transfer of MSW (municipal solid waste) to a regional operator	0.00	0.00	0.00	6.57	8.06	9.44	6.57	8.06	9.44
Total	15.13	7.11	5.11	43.97	51.62	45.47	59.10	58.72	50.57
Non-hazardous waste									
Neutralization	0.95	0.00	0.00	0.71	0.01	0.72	1.65	0.01	0.72
including incineration	0.95	0.00	0.00	0.70	0.00	0.00	1.65	0.00	0.00
- with energy generation	0.95	0.00	0.00	0.00	0.00	0.00	0.95	0.00	0.00
- without energy generation	0.00	0.00	0.00	0.70	0.00	0.00	0.70	0.00	0.00
Dumping (except for MSW - municipal solid waste)	0.80	0.00	0.00	13.42	15.09	7.50	14.23	15.09	7.50
Transfer of MSW to a regional operator	0.00	0.00	0.00	7.44	7.76	7.24	7.44	7.76	7.24
Total	1.75	0.00	0.00	21.57	22.85	15.47	23.32	22.85	15.47

DRILLING WASTE MANAGEMENT

Enterprises of the Tatneft Group formed and processed 188,560 tonnes of drilling waste.

All waste generated during well drilling by contractors is the property of the Contractor according to the contractual terms and conditions. The Company has established a system for accounting and monitoring the movement of waste generated during drilling by contractors, as well as a system for compensating their costs for the disposal of drilling waste.

BIODIVERSITY CONSERVATION

GRI 3–3, 304–1, 304–2, 304–3, 304–4 SASB EM-EP-160a.3

One of the priorities in the field of sustainable development of the Company is to minimize the impact on the environment. The Company reduces the man-caused impact on the natural environment of ecosystems and maintains favorable living conditions in the areas of its operations, improving environmental performance, and takes measures to restore the ecosystem to the level of self-healing potential, including the protection and conservation of biodiversity.

Commitments in the field of biodiversity conservation:

- reducing the significant impact of the Company's activities, products and services on the biodiversity of protected natural areas and areas with high biodiversity value outside the boundaries of protected natural areas
- conservation and restoration of biodiversity, habitats, animal migration routes and compensation for possible environmental damage
- reduction and prevention of fragmentation of natural landscapes, reduction of the areas of disturbed territories
- minimization of work on specially protected natural territories and in their protected areas, on World Natural Heritage sites

Internal documents:

- Policy on Sustainable Development and Interaction with Stakeholders
- Policy in the field of Health, Safety, and Environment, taking into account climate changes
- Standard on Management of Protection of Land and Forest Resources, Biodiversity, Specially Protected Natural Territories
- Regulations on the protection and rational use of land and forest resources

The Company treats any natural territories in the places of its presence as protected and annually strengthens the work on biodiversity conservation. The Company implements the Biodiversity Preservation Program. The purpose of the Biodiversity Conservation Program is to preserve the diversity of natural biosystems in the territories of activity at a level that ensures their sustainable existence and sustainable use of natural resources. To achieve this goal, a set of measures has been developed, which is an integral part of the Environmental Program.

Conservation biodiversity

ENVIRONMENTAL ASPECTS IDENTIFICATION SYSTEM

The integrated management system of the Company provides for a system of identification of environmental aspects, which allows to identify priority activities to reduce negative impacts on biodiversity.

The results of hazard identification and risk assessment of the environmental aspects of the Company are the initial data for the development of measures for the conservation of biodiversity and the formation of appropriate programs.

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In the course of production activities, the Company does not have an irreversible impact on biodiversity.

The Company's main impacts on biodiversity:

- oppression of flora and fauna with prolonged water and air pollution, physical exposure
- impact on immobile groups of living organisms during the construction of oil facilities
- fragmentation of landscapes, due to the construction of a road network, piping systems
- death of micro- and mesofauna, flora, soil degradation as a result of accidental oil spills on the terrain

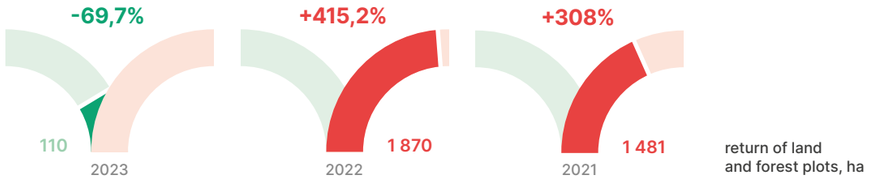
Main objects of the Biodiversity Conservation Program:

- specially protected natural areas
- species and populations of the animal world subject to special protection and their habitats
- vulnerable ecosystems (estuaries, swamps, tundra, etc.)

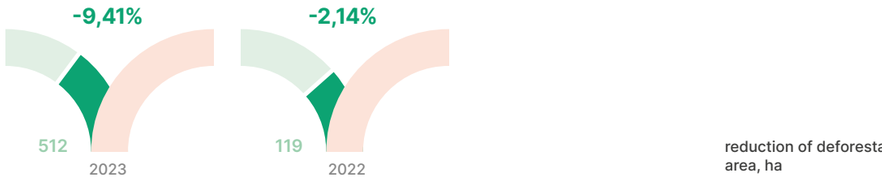
15 LIFE ON LAND

SDG 15 GOALS

16.1% reduction in occupied space by 2025*



return of land and forest plots, ha



reduction of deforestation area, ha

* The area of land and forest plots as of the 2020 base year is 363 hectares. The forest area in the protected zone through which overhead power lines pass as of the 2021 base year is 5,541 hectares.

SPECIALLY PROTECTED NATURAL AREAS

The main activity of the Company is concentrated on the territory of the south-east of the Republic of Tatarstan, which is densely populated, developed by agriculture and experiences a high anthropogenic load. There are 35 specially protected natural territories in the region of the Company's production activity. The largest specially protected natural area of federal significance is the Nizhnyaya Kama National Park. This is a unique natural complex of forests and meadows of the north-east of Tatarstan with an area of 26,460 hectares, located in the center of the Nizhnekamsk territorial production complex.

Proved and probable oil reserves located in specially protected natural areas

	share of proved reserves, %	share of probable reserves, %
2021	18.58	6.6
2022	19.5	6.27

In 2023, the Company did not conduct an audit of oil reserves.

Since 2021, the Company has been providing voluntary insurance of environmental risks of a hazardous production facility: the oil treatment and pumping unit of the Kyzyl-Tau OPPU of NGDU Prikamneft, Tatneft-Production Business Unit, which is the closest to the special protected natural area of the Nizhnyaya Kama National Park and the surface water body of regional importance of the Kama River.

The Company carries out industrial ecological control of the flora (phytomonitoring) on the territory of the Nizhnyaya Kama National Park. According to the results of monitoring studies, in 2023, the operation of the Company's oilfield facilities did not lead to a deterioration of the ecosystems of the adjacent territory, and did not violate the park's protection regime.

Also, industrial environmental control is carried out by the Company in the territories of the developed fields located in the Nenets Autonomous Okrug. Due to the special vulnerability of natural tundra complexes, the industrial environmental control program has been expanded and includes an assessment of the species and quantitative composition of vegetation cover, soil mesofauna and soil mammals, mosses, wildlife, benthos. The monitoring results show that the area of activity is not subject to significant anthropogenic impact.

Species and populations of the animal world subject to special protection

15 species of insects, 29 species of birds, 1 species of fish, 17 species of plants, 3 species of fungi, and 1 species of lichens listed in the Red Book of the Russian Federation live in the territory where the TATNEFT Group operates in the Republic of Tatarstan.

The location of production facilities outside the territories of the habitat of rare animal species, the implementation of environmental protection measures can reduce the negative impact on the environment and prevent the disappearance of rare animal species by supporting existing specially protected natural areas.

The Company annually works on biodiversity conservation and treats any natural territories in the places of its presence as protected.

Projects to identify and conserve biological diversity

- Together with the Nizhnyaya Kama National Park, a project is being implemented to identify and preserve the species diversity of the mammal fauna of forest communities, the community of terrestrial and soil invertebrates in the protected areas of the National Park, listed in the Red Book of the Republic of Tatarstan and the Red Book of Russia. An assessment of the avifauna of the National Park was carried out, the annotated list of bird species was updated, and data on rare bird species, such as White-Tailed Eagle, Peregrine Falcon, Eagle Owl, Yellow-Breasted Blinding, was systematized.
- As part of the project to preserve the populations of eagles living in the territory of the Company's activities, research has been conducted aimed at preserving large birds of prey living in the eastern regions of the Republic of Tatarstan. The habitat areas of the Red Book birds, eagles, have been determined. Video surveillance of the nesting life of eagles has been installed in real time.
- Measures have been taken to analyze the condition of the Company's power grid facilities in the eagle habitat in 3 districts of the Republic of Tatarstan. Installation of bird protection devices on high-voltage power lines has been completed. Since 2023, high-voltage lines are constructed with insulated wire (IW), which eliminates the risk of electric arc injury to birds.
- The Company continues to support the restoration and increase of the population of the «red book» snow leopard on the territory of the Altai Territory of the Saylyugemsky National Park. The Ak Bars hockey club annually holds charity matches "Saving Snow Leopards". The proceeds are used to finance regular anti-poaching raids and provide the national park with new photo and video traps to expand the scope of monitoring snow leopard habitats. The ongoing information cooperation is aimed at increasing the awareness of the program and the level of environmental responsibility.

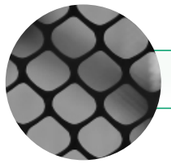
Implemented measures aimed at preserving biodiversity:

Project (measure)	Quantinty
Planting of various types of trees and shrubs, million pcs	2.6
optimization of the logging area due to the layout of drilling equipment, ha	12
cleaning of the coastal strips of water bodies from an invasive plant species – American maple with the planting of trees of local species, ha	116
the area of cut trees was reduced through the use of insulated wires on power lines running through forested areas, ha	402.6
unclaimed land plots returned, ha	110
restoration of disturbed lands, ha	2,576
Release of fry of valuable fish species, including young sterlet, carp, silver carp to water objects, pcs	276,695
Installation of bird protection devices on OHPLs, pcs	1,544
Overhaul of pipeline crossings, pcs	95
Dismantling of inactive pipelines through water bodies, pcs	168
overhaul of pipelines, total, km:	1,256
↗ Of them with the use of fiberglass pipes, km	178
repair of field joints of pipelines of the reservoir-pressure maintenance system, km	751
examination of industrial safety of pipelines, km	5,560
waterproofing of earthen barns during the construction and repair of wells, m^2	1,002,966

THE MOST SIGNIFICANT PROJECTS AND EVENTS

110 HA

RETURN OF LAND
AND FOREST PLOTS



1,544 PCS

INSTALLATION OF BIRD
PROTECTION DEVICES

2,577 HA

RECLAIMED
OF RECLAIMED SOILS

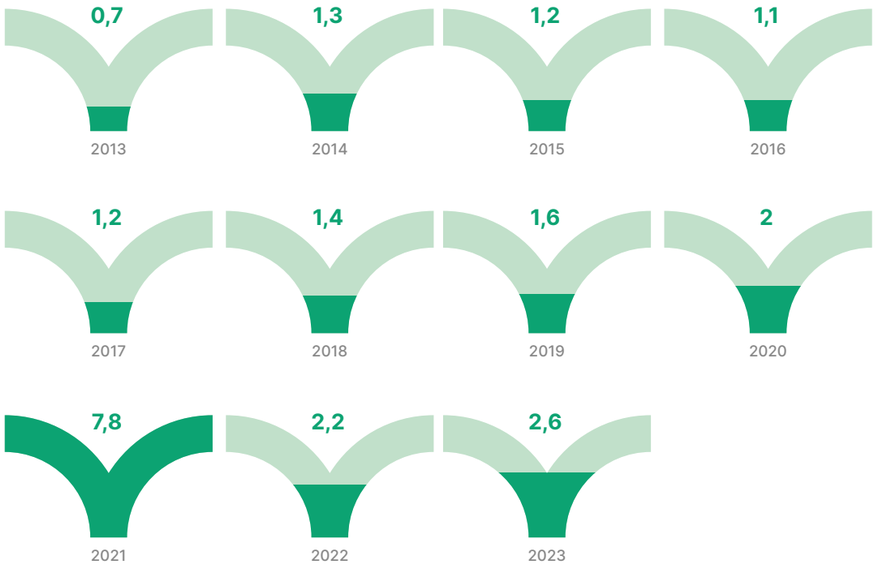
276,695 PCS

FINGERLING RELEASE

116 HA

CLEARING RIVER BANKS FROM INVASIVE
PLANT SPECIES

Dynamics of forest plantations, mln trees



LAND RESTORATION

The main task of the stage of completion of production activities is the environmentally safe completion of work and ensuring the restoration of disturbed areas. At the same time, a necessary condition for the liquidation stage is to ensure the conditions for the conservation of biodiversity in the zone of influence of the liquidated production facilities, as well as compensation/reimbursement for damage to disturbed biological resources.

It is mandatory to carry out measures to restore disturbed lands: technical and biological reclamation. Reclamation measures create conditions for the development of vegetation. Gradually, biotic factors begin to have a greater influence on species diversity. The applied methods of reclamation provide high rates of vegetation renewal. After reclamation, work is underway to return unclaimed land.

The Company's activities in restoring disturbed lands are regulated by the Regulations on the Protection and Rational Use of Land and Forest Resources, the Regulations on the Organization of Reclamation of Disturbed Lands and the Instructions for the Reclamation of Disturbed Lands.

In the Company, a comprehensive approach is applied to the reclamation of lands affected during the construction and operation of facilities, taking into account the categories of land use, soil types, types of violations, and pollution. .

LIQUIDATION OF OIL AND GAS FACILITIES

GRI 11.7

After the end of the cycle of operation of oil facilities, their dismantling and liquidation is carried out. The liquidation of hazardous production facilities is carried out in accordance with the approved technical documentation for liquidation, with the implementation of measures defined in the project to protect the environment, ensure the safety of the population, the removal and disposal of waste, reclamation and landscaping of the land after the liquidation of the facility.

At all wells, before liquidation, a study of the production column of the well is carried out, overflows, griffins, leakage of casing strings are eliminated if any. At liquidated wells located on the lands used for agricultural purposes and on lands of non-industrial categories, the mouths are deepened by at least 0.8 m from the surface, equipped with a plug mounted on a conductor (technical column). The plug is covered with a material that prevents its corrosion, and the wellhead is filled with soil. After the well is liquidated, the well territory is cleaned, contaminated soil is removed, pits, granaries, trenches are filled in, false fills are removed, waste and equipment are disposed, landscapes are restored on the territory of the well and the adjacent territory, land reclamation is carried out. The condition of the liquidated wells is monitored.

Affected land reclaimed, ha

THE IMPACT ASSOCIATED WITH THE RIGHT TO OWN AND USE LAND AND NATURAL RESOURCES

GRI 11.16

To ensure interaction with local communities and other users on land use issues and advance information and communication of information to citizens (land users), the Company organizes the introduction of information about zones with special conditions for the use of territories (security zones and sanitary protection zones of production facilities) into publicly available information resources - public cadastral map, maps of municipal information resources of the Federal Register.

There have been no cases of forced relocation of local communities or individuals resulting from decisions taken within the framework of land issues in the Company's activities.

[4] The increase in the area of disturbed land is associated with an increase in drilling and construction of wells, as well as overhaul of pipelines.

RESOURCE EFFICIENCY

GRI 3-3, 302-1, 302-2, 302-3, 302-4,

TATNEFT, as one of the largest participants in the energy market, conducts systematic work in the field of energy and resource efficiency. These concepts in the Company are combined in a closed cycle, including cost optimization, resource savings and their secondary use, energy efficiency improvement throughout the production chain.

The policy of the TATNEFT Group in the field of integrated management system is aimed at achieving common strategic goals in the field of rational use of natural resources involved in production through the introduction of resource-saving and energy-efficient technologies, the use of environmentally friendly and alternative energy sources, waste recycling and the use of recyclable materials, the introduction of the best available technologies, equipment, materials, digital technological process management solutions.

Grand Prix of the competition “Energy Efficient Equipment and Technologies” at the Tatarstan International Forum on Energy and Energy Resource Efficiency

ENERGY EFFICIENCY

In accordance with the 2030 Development Strategy, the key guideline is the continuous improvement of energy efficiency, improvement of energy efficiency and energy conservation management processes in the implementation of all types of production activities; cost containment through the introduction of advanced innovative energy-efficient technologies and rational use of energy resources; development, implementation, operation and continuous improvement of the Energy Management System that meets the requirements of ISO 50001-2018.

Uniform requirements for the energy management system are established by the standard «Energy Efficiency and Energy Conservation in the TATNEFT Group». The Company also imposes energy efficiency and energy saving requirements on the services, equipment and technologies supplied. Informing suppliers about energy efficiency requirements is mandatory in the procurement documentation.

Improving energy efficiency is one of the main areas of adaptation to climate change, implemented by fulfilling the objectives of SDG 7 «Low-Cost and Clean Energy».

Since 2000, the Company has been implementing technical and organizational measures aimed at reducing energy consumption - Energy Efficiency and Energy Saving Programs. Since 2019, the program for improving energy efficiency and energy saving has been developed for a three-year period and updated annually.

The strategic goal is the effectiveness of the energy efficiency and energy saving program of at least 2.8% annually until 2025 relative to the actual consumption of fuel and energy resources in the previous year.

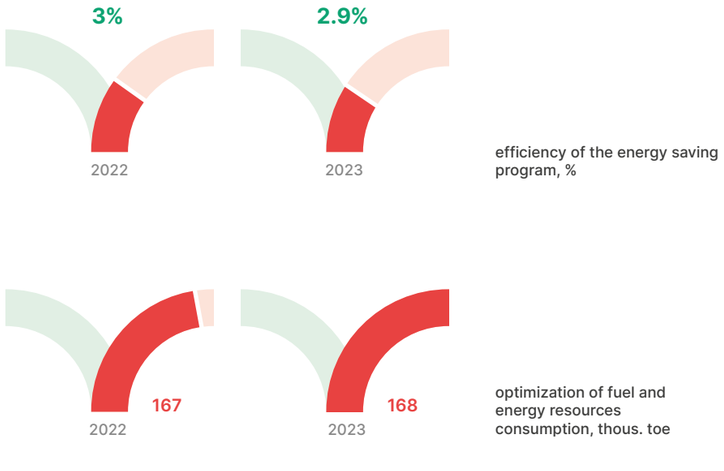
In 2023, energy consumption savings amounted to 168,000 toe. With a plan of 2.8%, the implementation of the energy saving program for 2023 was 2.9%. The most efficient energy saving areas are: oil and gas treatment, processing, transportation, oil and gas production technology, reservoir pressure maintenance.

Energy efficiency requirements are integrated into all processes that determine the life cycle of technological objects: design, construction, operation. The energy saving program includes more than 3,000 activities. a pool of innovative technologies has been formed in the perimeter of each business area, the implementation of which ensures the achievement of energy efficiency goals:

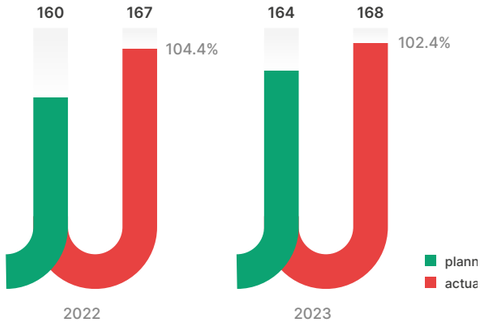
- in oil production – energy-efficient pumps for the processes of lifting well products, oil treatment and reservoir pressure maintenance systems using fiberglass pipes;
- in oil and gas processing and Petrochemicals – heat recovery systems of recoverable energy resources, energy-efficient pumping and compressor units;
- energy–efficient transformers, automatic reactive power compensation devices, heat networks made of composite materials, technologies for optimizing fuel combustion processes in boilers are used at the enterprises of the energy block.

SGD 7 GOALS

Improving the level of energy efficiency of production by at least 2.8% annually



Saving of fuel and energy resources



Energy consumption from non-renewable sources

	Meas.unit	2021	2022	2023
	thousand KWh	7,162,499	7,878,417	7,900,289
Electric power	GJ	25,787,108	28,364,624	28,443,369
	Gcal	8,742,306	8,642,552	7,495,497
Heat energy*	GJ	36,605,284	36,187,600	31,384,716
	toe	3,642,147	3,774,098	3,678,421
Boiler and furnace fuel**, including	GJ	106,751,329	110,618,812	107,814,512
Natural gas	thousand m^3	2,270,360	2,089,537	1,929,405

RENEWABLE ENERGY

SASB EM-EP-420a.3

The Company's strategy gives weight to the renewable energy sources and their significance for bringing a cleaner, low-carbon energy future and sets a goal to increase the share of energy generated from renewable energy sources to 4% by 2030.

The main focus when assessing the prospects for the renewable energy development is on the widespread use of "green" technologies and the implementation of business opportunities through the commercialization of proved and promising projects.

As part of SDG 7 tasks to increase the share of energy from renewable sources, the program «Development of renewable energy sources» is implemented, including innovative projects on solar generation, wind and hydro generation, biofuel-based generation, deep heat utilization and other areas. The volume of investments allocated for the development of renewable energy projects in 2023 amounted to RUB 132.2 mln.

The Company has implemented renewable energy projects with an installed capacity of 35.6 MW. The main share includes renewable energy sources using biomass and biogas; there are also solar, wind, low potential and hydro generation facilities:

- Within the biogas station project, a full cycle of an integrated solution has been created, including the production of biogas suitable for energy generation using gas-gen sets with the subsequent production of popular fertilizers
- A wood chip bio-boiler house with a capacity of 45,000 Gcal per year of "green" heat energy was put into operation
- A wind power station with a capacity of 50 kW and 13 solar power plants were put into operation
- 344 pellet boilers were installed at gas stations with a total installed capacity of 9.85 MW
- Prospects for the development of wind resources and hydro generation are being studied

Volume of energy consumption, GJ

	2022	2023
Energy consumed***	175,208,649	167,716,020
Energy consumed minus realized electrical and thermal energy	142,909,501	153,252,967

* Thermal energy for super viscous oil (SVO) production is included in the natural gas purchases

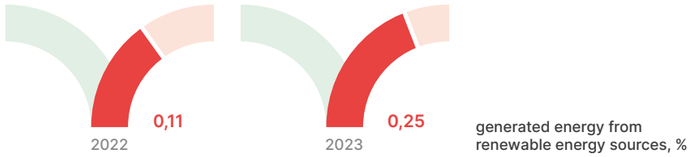
** The actual heat of combustion under standard conditions (calorific value) for each type of fuel was used to calculate the value of boiler and furnace fuel consumption in tonnes of oil equivalent

*** The amount of energy consumed includes the consumption of electricity, thermal energy and boiler and furnace fuel from renewable and non-renewable sources.

7 AFFORDABLE AND CLEAN ENERGY

SGD 7 GOALS

Increasing the share of energy generated from renewable sources up to 4% of total energy production by 2030



generated energy from renewable energy sources, %

Energy consumption from renewable energy sources

	2021	2022	2023
Electric power, KWh, including	1,093,767	715,996	1,477,370
Hydropower, KWh	1,063,321	658,784	1,141,855
Solar energy, kWh	30,446	56,955	297,212
Wind energy, kWh	-	257	38,302
Electric power, GJ	3,938	2,578	5,318
Heat energy, Gcal, including	7,092	8,368	16,265
Pellet fuel, Gcal	7,092	8,361	16,235
Low-grade heat, Gcal	-	7	30
Heat energy, GJ	29,693	35,035	68,104
Energy generation from renewable energy sources, toe	1,146	1,253	2,497
Share of energy generation from renewable energy sources*, %	0.10	0.11	0.25

In 2023, the volume of energy generated from renewable energy sources was consumed at the facilities of the TATNEFT Group. Energy produced from renewable energy sources has not been purchased from third parties.

Energy output ratio (specific fuel consumption), toe/RUB min

2021	2022	2023
		actual
4,10	3,82	3.76

Amount of energy sold

Electric power			Heat energy		
thousand KWh	toe	GJ	Gcal	toe	GJ
1,444,331	177,414	5,200,017	2,212,257	316,037	9,263,036

RESPONSIBLE CONSUMPTION

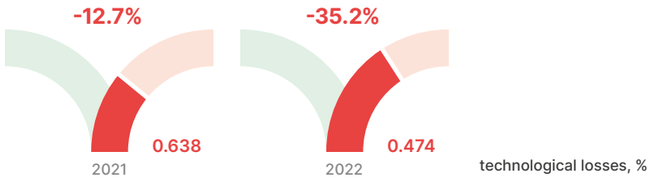
GRI 301-2 SASB EM-EP-000.A, EM-RM-410a.3, 150a.1

The company develops a model of rational consumption and a circular economy based on a careful attitude to the consumption and distribution of all types of resources (natural, human, financial), applies methods for assessing the effectiveness of resource management, takes into account the resource potential of production processes along the entire value chain and life cycle of products and services. This makes it possible to reduce the environmental intensity of economic growth with an increase in the efficiency of production processes and preserve natural resources for future generations.

As part of the implementation of SDG 12, goals have been set until 2030 aimed at ensuring responsible and efficient consumption of resources and sustainable means of production. in connection with the achievement of established SDG 12 goals, the Company set new goals in 2023.

100% ACHIEVEMENT OF SDG 12 GOALS

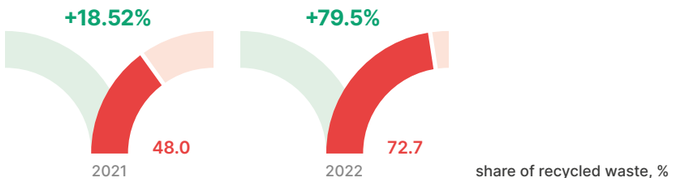
reduction in process losses by 14.2% by 2025, by 20% by 2030



technological losses, %

Technical losses as of the 2020 base year: 0.731%.

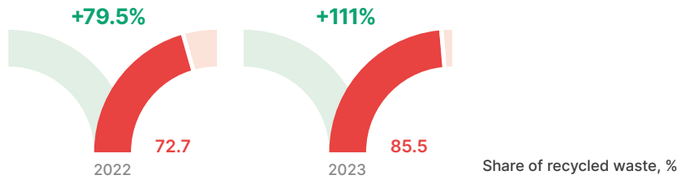
increase in the share of recycled and reused waste by up to 50% by 2025, up to 70% by 2030



share of recycled waste, %

Share of recycled waste as of the 2020 base year: 40.5%.

Increase in the share of recycled and reused waste by up to 73.1% by 2025, up to 76.6% by 2030



Share of recycled waste, %

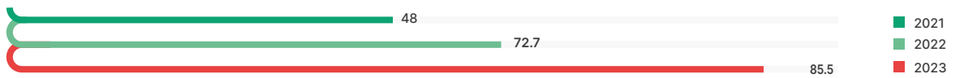
Share of recycled waste as of the 2020 base year: 40.5%.

Reduction of technical losses relative to the current situation by 38.1% by 2025, and by 43.1% by 2030

Technological losses, %

Technical losses as of the 2020 base year: 0.731%.

Share of waste sent for disposal and reuse, %



The share of waste sent for recycling and reuse from the total waste volume has increased due to changes in the perimeter of the TATNEFT Group connected to the addition of tire business assets and an increase in waste tire processing sites in the regions of the Russian Federation.

The Company's systematic work in the field of energy and resource efficiency, significant experience and extensive competencies in energy conservation and the creation of a circular economy contributed to the creation of an autonomous energy-efficient settlement based on Aktobe urban-type settlement. The basis of an energy-efficient settlement is made up of 4 interconnected elements: economy, ecology, infrastructure and a new worldview. Economic growth is achieved through the introduction of technologies and new developments with respect for nature, rational consumption of resources and the use of recoverable resources.

During the two years of project implementation, a complex of biotechnological production facilities was created. Local crops are used as raw materials. New technical solutions and scientific support are developed by our own research center.

Resource-saving solutions implemented through integrated biotechnological projects can be scaled throughout the country.

Production of bi-oil from wood waste, thousand barrels/day.

2021	2022	2023
0.014	0.012	0.018

Projects on the introduction of a circular economy and responsible consumption

- Construction of a gas turbine plant at Nizhnekamsk CHP - as a result of modernization, the installed capacity of the station will increase, and the transition to combined-cycle technology will reduce the cost of electricity generated. The construction is scheduled to be completed in 2027.
- Circular forest is a project for growing seedlings in a greenhouse with their subsequent transplantation into open ground. The wood obtained from mature trees is processed to produce biofuels. Both heat and carbon dioxide obtained as a result of processing will be used in greenhouses, where seedlings will be grown again.
- Pyrolysis of wood biomass to produce bio oil (a component for fuel production) and biochar (fertilizer for agriculture).
- Reconstruction of a cryogenic plant for deep processing of dry distilled gas with the release of new products.
- Pyrolysis of rubber chips and the start of production of rubber modified bitumen, installations for the hydroconversion of heavy oil residues.
- The secondary use of reinforced concrete, the secondary use of waste paper, used vegetable and motor oil, PET bottles, used tires and the production of new types of marketable products.
- Work has been organized in schools and kindergartens in the regions where the Company operates to collect PET bottles, polyethylene and polypropylene. Since the start of the project, more than 17,800 tonnes of recoverable resources have been collected. For these purposes, the Company handed over 249 containers for accumulation of recoverable resources.
- Sustainable autonomous energy-efficient settlement of Aktobe urban-type settlement.

PROMOTION OF SOCIAL DEVELOPMENT

Management Approach 242
Social Infrastructure Development 245
Charitable Foundation 250
Educational Ecosystem 254
Preservation of Cultural and Historical Heritage 264
Interaction with Local Indigenous People Living a Traditional Lifestyle 267
Healthy Lifestyle 268

PROMOTION OF SOCIAL DEVELOPMENT

ENERGY OF GOOD

GRI 3-3, 203-1 SASB EM-EP-210b.1

The Company follows the principles of high corporate responsibility by contributing to the development of national and local economies in the territories where it operates, creating high added value, providing jobs, attracting local suppliers and contractors, promoting the development of related industries and directing voluntary investments to ensure favorable conditions and improve quality of life in the territories where it operates. TATNEFT Group enterprises are city-building enterprises in most of the localities of the operating regions.

The Strategy addresses the tasks of preserving social stability in the operating regions. In its social programs, the Company takes into account the priorities of the national policy — the Concept of Long-Term Social and Economic Development of the Russian Federation and the Strategy of Social and Economic Development of the Republic of Tatarstan.

The Company is committed to maintaining the status of the best employer and the best partner both in its business activities and in its interaction with government agencies and administrations, educational, non-profit and public institutions, local population and society in general, based on the following priorities:

- continuous improvement of the social infrastructure in the areas of operation
- ensuring development of a healthy lifestyle, supporting health care
- contribution to improving the quality of education at all levels
- development of the science and technology base and innovation infrastructure
- promoting a qualitative improvement in the living conditions of employees and local population.

Management Approach

The Company has defined uniform social policy management processes for the entire TATNEFT Group.

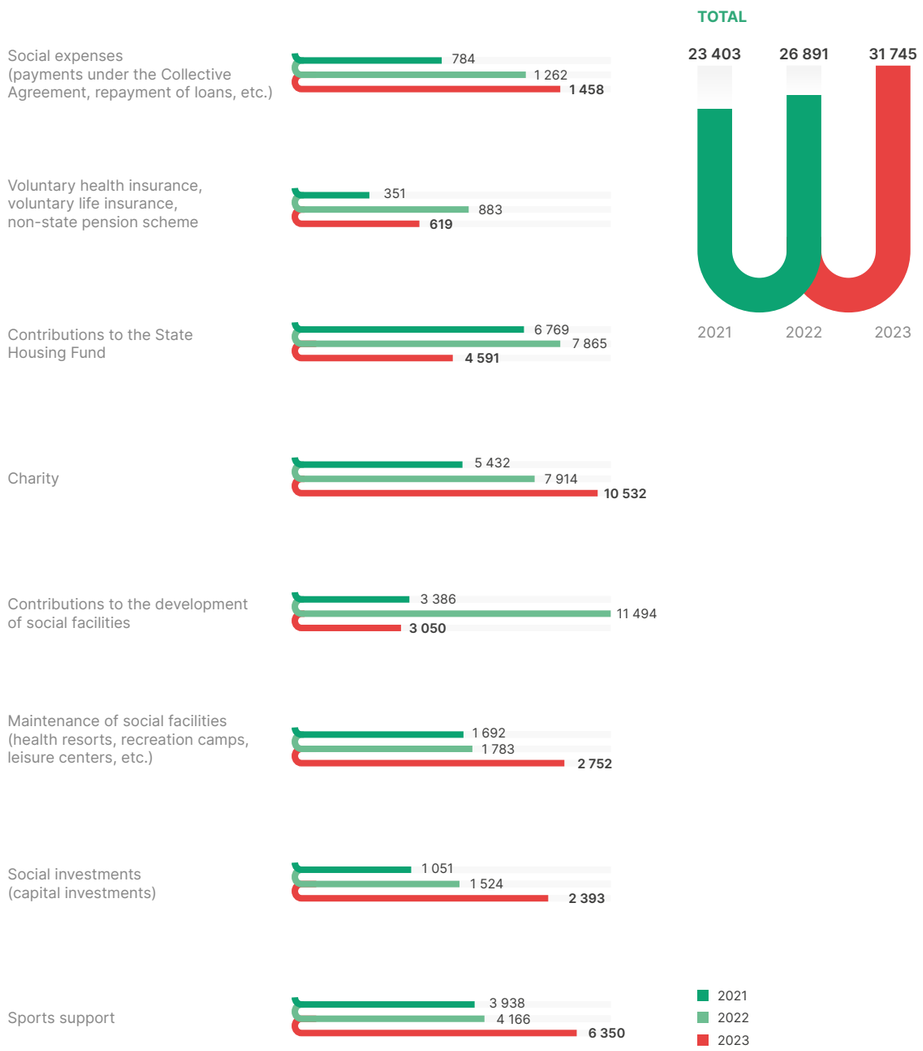
Principles of social policy management:

- **Efficiency:** the funds used to implement the programs should make a tangible contribution to solving the problems. The results of the programs are subject to regular evaluation and accounting.
- **Consistency:** Social programs are regular and systematic
- **Significance:** the Company is committed to making its social programs as much targeted, timely and responsive to the pressing needs of society as possible
- **Openness:** the Company endeavors to develop and implement social programs through dialogue and cooperation with stakeholders

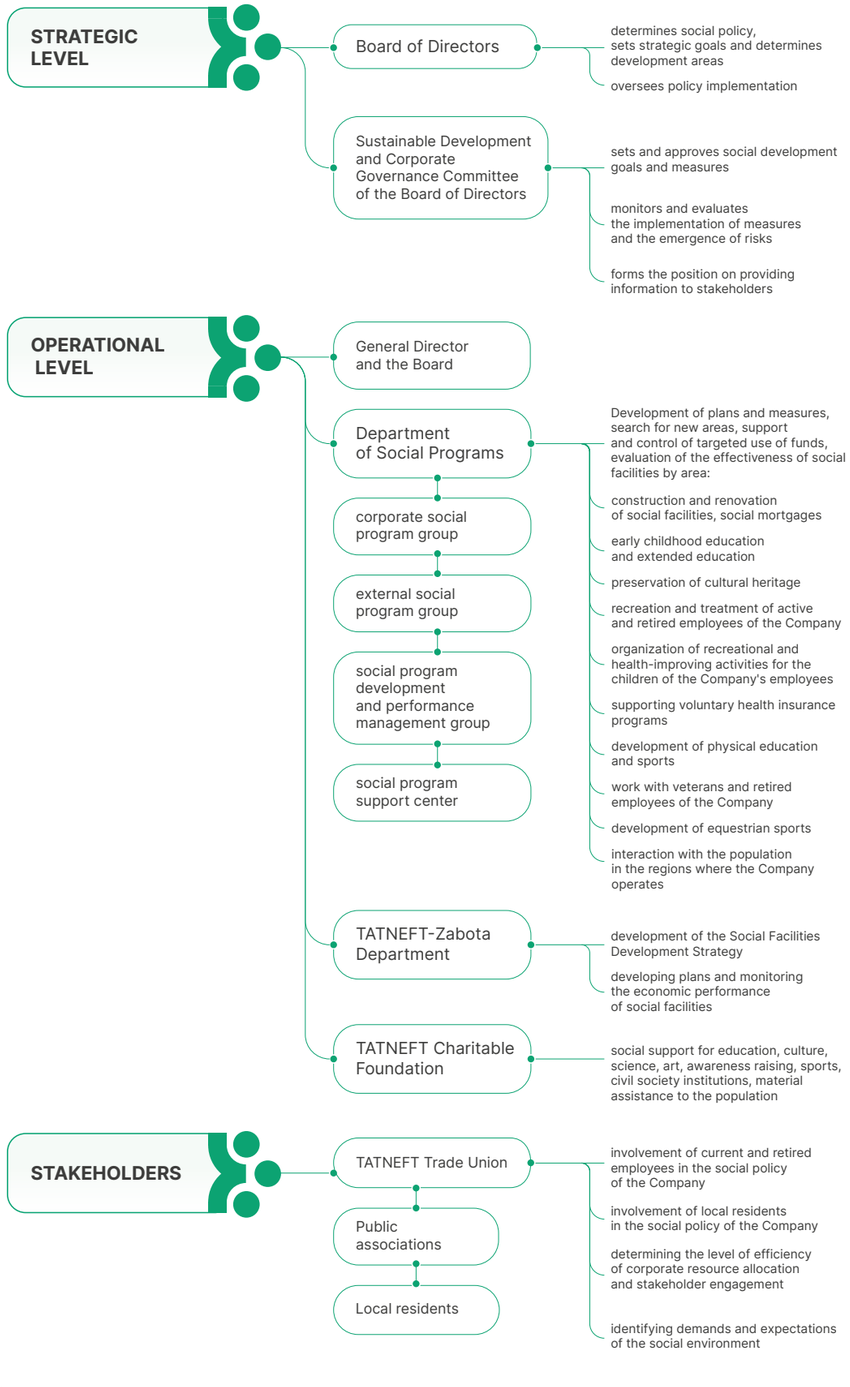
The Company carries out centralized management of social programs. The Board of Directors annually reviews the Company's social policy and plans to improve management of social programs and expenditures, approves target setting and assesses the effectiveness of social investments.

1 NO POVERTY
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES

Social investments, RUB mln



Management System


STRATEGIC LEVEL
Board of Directors
determines social policy, sets strategic goals and determines development areas
oversees policy implementation
Sustainable Development and Corporate Governance Committee of the Board of Directors
sets and approves social development goals and measures
monitors and evaluates the implementation of measures and the emergence of risks
forms the position on providing information to stakeholders
OPERATIONAL LEVEL
General Director and the Board
Department of Social Programs
Development of plans and measures, search for new areas, support and control of targeted use of funds, evaluation of the effectiveness of social facilities by area:
construction and renovation of social facilities, social mortgages
early childhood education and extended education
preservation of cultural heritage
recreation and treatment of active and retired employees of the Company
organization of recreational and health-improving activities for the children of the Company's employees
supporting voluntary health insurance programs
development of physical education and sports
work with veterans and retired employees of the Company
development of equestrian sports
interaction with the population in the regions where the Company operates
corporate social program group
external social program group
social program development and performance management group
social program support center
TATNEFT-Zabota Department
development of the Social Facilities Development Strategy
developing plans and monitoring the economic performance of social facilities
TATNEFT Charitable Foundation
social support for education, culture, science, art, awareness raising, sports, civil society institutions, material assistance to the population
STAKEHOLDERS
TATNEFT Trade Union
involvement of current and retired employees in the social policy of the Company
Public associations
involvement of local residents in the social policy of the Company
determining the level of efficiency of corporate resource allocation and stakeholder engagement
Local residents
identifying demands and expectations of the social environment

GRI 2-26, 2-29, 413-1

The impact of social investments on societyis assessed through feedback channels (surveys, votes, etc.), with subsequent adjustment of programs, if necessary.

Identifying key social impact assessment tools, as well as collecting feedback and selecting priorities, including possible involvement of sociologists and consultants, is done at the process level.

Efficient communication channels have been identified, including:

- corporate social media platforms (Telegram and VKontakte accounts)
- corporate media
- blogger communities
- press events with loyal media
- contests, activities during festive events, etc.

Today, TATNEFT's activities are efficiently evaluated through digital platforms with surveys and various metrics that assess the level of audience engagement, the tone, and the level of loyalty to the Company's projects.

Feedback collection process (satisfaction of beneficiaries, monitoring of social problems) is further developed through conducting a comprehensive sociological research, which includes collection of statistical indicators of the projects (coverage and other metrics).

Planned and ongoing production activities are regularly assessed in terms of their environmental impact: public consultations on major investment projects are held, industrial environmental monitoring of the environmental situation and compliance with legislative environmental requirements by the TATNEFT Group enterprises is carried out on a regular basis.

SOCIAL INFRASTRUCTURE DEVELOPMENT

GRI 203-1

Since its inception, the Company has implemented initiatives to ensure openness, safety, resilience and environmental sustainability of the cities and communities in which it operates. Development of social infrastructure, environmental protection and safety, provision of housing, heat and power supply, development of transportation and roads are an integral part of the Company's activities in the operating regions. Significant investments in social infrastructure and charitable programs contribute to stability in the region of operation, create a comfortable environment, while retaining and increasing human capital.

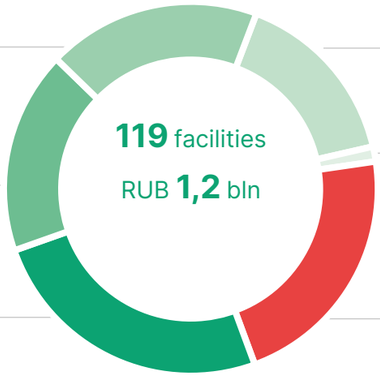
The Company annually

- finances the construction, reconstruction and renovation of social infrastructure facilities
- provides support for resources and equipment
- implements targeted programs and projects in cities and towns in the operating regions

In 2023, 9.4 billion rubles were allocated for the development of social and cultural sphere and public infrastructure, with 567 projects implemented in 18 southeastern cities of Tatarstan.

Development of social and cultural sphere and public infrastructure, RUb bln

Providing resources and equipment and supporting operations, RUB ths.



22 pcs. 67 651
Sports and healthy lifestyles

21 pcs. 138 143
Healthcare

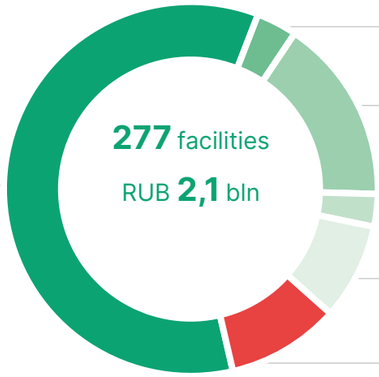
30 pcs. 93 644
Development of culture and art, preservation of traditions

718 409 19 pcs.
Municipal infrastructure

435 1 pcs.
Environment

226 727 26 pcs.
Science and education

Implementing targeted programs and projects, RUB ths.



162 pcs. 679 892
Development of culture and art, preservation of traditions

28 573 9 pcs.
Environment

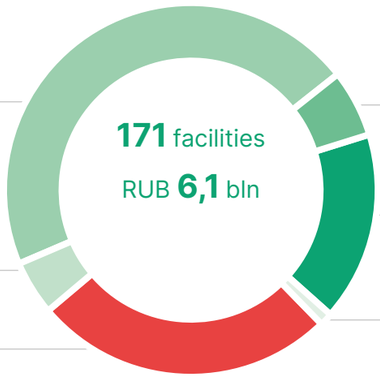
357 049 46 pcs.
Science and education

768 407 8 pcs.
Municipal infrastructure

34 026 24 pcs.
Healthcare

191 090 28 pcs.
Sports and healthy lifestyles

Construction, reconstruction and renovation of social infrastructure, RUB ths.



78 pcs. 1 487 919
Municipal infrastructure

8 pcs. 117 698
Healthcare

45 pcs. 2 594 101
Science and education

535 949 10 pcs.
Sports and healthy lifestyles

1 275 692 28 pcs.
Development of culture and art, preservation of traditions

8 550 2 pcs.
Environment

Main social infrastructure development projects implemented in 2023:

social facilities:

Almetyevsk
- Large-scale reconstruction of School No. 1
- CAMPUS of the Higher Oil School
- Overhaul of the Fabrika Youth Center building

Nizhnekamsk
- Construction of the TANECO Arena Ice Stadium

Bavly
- Overhaul of the Devon Ice Arena

Leninogorsk
- Construction of the Neftyanik Ice Arena

Aznakaevo
- Construction of a civil registry office

maintenance and development of energy and heat supply facilities:

Almetyevsk
- Construction of a boiler house with supply utilities and heat supply networks for the research center
- Reconstruction of heating networks on the territory of the public park and city streets

Nizhnekamsk
- Construction of a gas turbine power unit at the CHP (in progress)

Aktyubinskiy settlement
- Construction of a biofuel boiler house

Green Transport

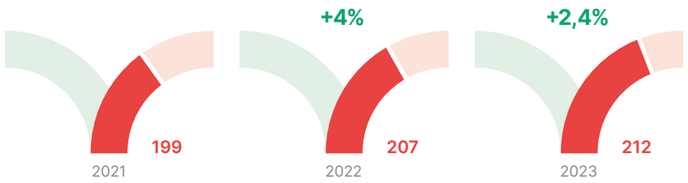
- With the Company's support, the city transport system was supplemented with a modern type of environmentally friendly transport — electric buses running on built-in batteries.
- The Company creates conditions for the development of green transportation infrastructure in the oil region. One of the most striking and successful examples of ESG investments is the construction of bike paths. Today, Almetyevsk holds the title of the bicycle capital: the most extensive bicycle network in Russia has been built and is operating there. The city has also purchased several hundred bicycles for the bike share program.

5%
of residents use bicycles for daily transportation

115 kilometers
of bike paths

SDG 11 GOALS

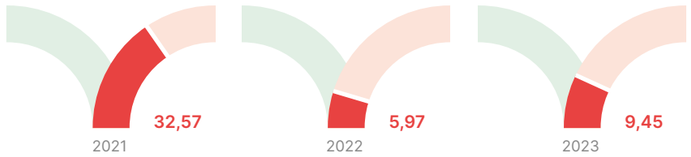
Sustainable development of the operating regions by increasing the urban environment quality index by 2% annually



Urban Environment Quality Index, score*

* Urban Environment Quality Index: average score for the cities of the south-east of the Republic of Tatarstan covered by the project

Employee housing



Employees provided with housing, %

The Company is actively involved in the development of the urban environment in the cities where it operates and is interested in making it comfortable. As part of the strategic goal of Long-Term Sustainable Development of the Company by Maintaining Stability and Favorable Environment in the Operating Region, the Company participates in the Russian national project City Environmental Quality Index together with the municipal administrations of the southeastern cities of the Republic.

The target value of the Company's project is an annual 2% increase in the urban environment quality index in the cities of operation. Measures to improve the urban environment quality are taken based on the result of index formation for the indicators with the lowest score, through carrying out relevant target activities. Out of 8 cities of the Republic, covered by the Company's project, 7 cities demonstrate positive trend and 1 city was labeled as having "unfavorable urban environment."

For the purpose of sustainable urban development, the Company has committed, within the framework of the agreements concluded with municipalities, to ensure leadership among the cities of the Republic of Tatarstan in terms of the quality of urban environment in the Republic of Tatarstan.

8

cities of the Republic

Target: 2%

annual increase in the urban environment quality index

Support and Development of Domestic Tourism

The Company supports the development of tourism in the Republic and makes a significant contribution to the green agenda. This is confirmed by the fact that the Company is implementing its new project to build an immersive New Land Park-Hotel. The concept of the hotel is to minimize the negative impact on nature.

The project is being implemented with the help of a grant allocated under the federal national project Tourism and Hospitality Industry. The project implementation period is until 2025. The park-hotel is located on the bank of the reservoirs, with 30 comfortable residential modules and leisure areas located on the territory.

Promoting an Inclusive Environment for People with Disabilities

The Company makes every effort to develop an inclusive environment for people with disabilities in the workplace and in the infrastructure of cities and towns. The Company will equip administrative buildings and a number of production facilities with ramps where people with disabilities are allowed to work.

Development of educational opportunities for people with disabilities, starting at an early age, has been singled out as a separate area of activities. As part of the implementation of SDG 4 "Quality Education", programs are being developed to support children, parents, teachers and educators to create conditions for the education of children with disabilities, including in remote settlements in the regions where the Company operates.

CHARITABLE FOUNDATION

THE GOAL IS TO DO GOOD

GRI 2-29, 3-3, 413-1

Adhering to high standards and principles of corporate social responsibility, the Company makes significant social investments through the TATNEFT Charitable Foundation (hereinafter referred to as the Foundation). The scope of the Foundation's responsibilities is expanding every year, and the system of planning and accounting for funds allocated for charitable purposes is being improved.

NATIONAL AWARD
OUR CONTRIBUTION

TATNEFT Charitable Foundation winner of the federal award Our Contribution, Partner of National Projects status

42,100 people
received charitable assistance

649
NPOs received charitable assistance

RUB 8.9 bln
Social investments channeled through the Foundation

572
events were organized, attended by more than 200,000 people

SDG 1, 3, 4, 10, 11

Grant Competition

The Grant Competition is part of the large-scale social development of the region, which is carried out on a long-term systematic basis and implemented within the framework of the sustainable development strategy.

2nd place
in the nomination the Best Program Promoting Sustainable Development through Grant Competitions of the XVI All-Russian Socially Responsible Business Contest

Social investments of the Foundation, RUB bln

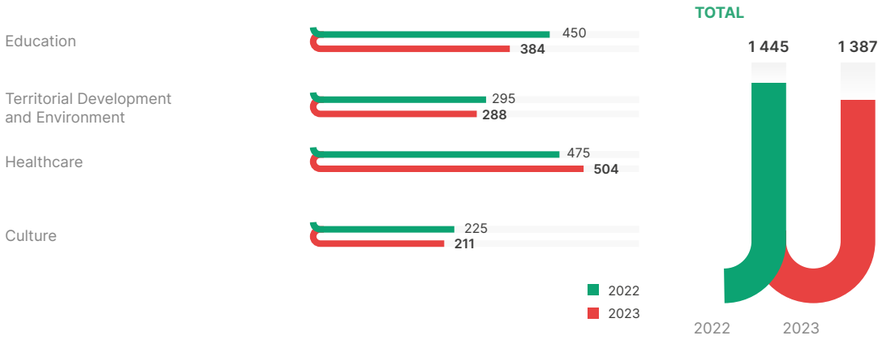
RUB 1.4 bln
Company grants

- 15 districts of the Republic of Tatarstan
- Tolyatti

The competitive approach allows the Company to systematize its charitable activities, focus on pressing social and economic challenges in the development of the regions where the Company operates, and increase the transparency of decisions made, including through the assessment of social efficiency. The Grant Competition ensures equal access to co-financing for all districts and cities in which the Company operates. The grant program is implemented in four priority areas: Education, Healthcare, Territorial Development and Environment, and Culture.

In 2023, 208 projects were implemented. The Company's social investments through the Grant Competition amounted to 1.4 billion rubles. Co-financing from other sources amounted to 1.6 billion rubles.

Social investments of the Grant Competition, RUB mln



2023 Results

renovated and equipped:
- ↗ **38** educational institutions
- ↗ **16** healthcare institutions
- ↗ **29** sports facilities
- ↗ **3** animal shelters

- ↗ landscaped:
- ↗ **14** publicly significant spaces
- ↗ provided with potable water:
- ↗ **19** rural settlements

installed:
- ↗ **16** playgrounds for children

Another platform for social initiatives is the **Energy of Good Contest**, where the best creative ideas and noteworthy proposals are selected to address pressing issues of social, economic and cultural development in the regions where the Company operates.

RUB 114 mln

122

socially significant projects

Rukhiyat Program

The Foundation is developing a comprehensive system to identify and support talented children and youth through the Rukhiyat Program. The program is aimed at enhancing the cultural life of the Republic's oil region, while supporting young talents. Since 1998, Country of the Singing Nightingale, a regional festival of children's and youth creativity, has been held, aimed at identifying and supporting gifted children. For 27 years, the festival has acquired the status of the best platform for the talented children to kick-start their journey, becoming one of the Tatarstan cultural brands.

Publishing activities are carried out; writers and poets, artists and cultural professionals are engaged to take part in the efforts. Since 1997, over 260 books have been published by the Rukhiyat Publishing House, with a total circulation of about 480,000 copies in Tatar, Russian, Chuvash and English. The published books are donated to libraries, educational institutions, museums, old people's homes of Tatarstan, to the Tatar Congress, as well as to Tatar compact settlements in Russia and abroad.

Tatneft Music Art is a project introducing a series of monthly free concerts of professional and student creative groups of the Republic of Tatarstan, where you can get acquainted with classical music, world cultural traditions, instrumental performances.

The **Gifted Children Program** is aimed at supporting intellectually gifted schoolchildren. School subject competitions, scientific, creative and engineering competitions, contests and conferences are organized annually, with schoolchildren participating in similar events in other regions of Russia and abroad. We also provide financial support for talented students from low-income families, encourage talented students and their mentors to achieve high results, and finance programs and activities aimed at developing the intellectual potential of students. Over the last 20 years, TATNEFT has supported more than 15,000 school competition winners as part of the program.

The **Tazalyk Program** is aimed at promoting physical education and mass sports among the Company's employees and the population of the southeastern part of the Republic of Tatarstan, developing and supporting children's sports and talented athletes. In 2023, more than 600 young athletes took part in local competitions in various sports, and more than 200 athletes took part in Russian and national competitions.

Under the **Miloserdie Program**, targeted assistance is provided to veterans and disabled people, low-income families, foster children, orphan students, and citizens who encountered difficult situation. Support is provided to social nonprofit organizations and medical institutions.

Together with Rusfond, TATNEFT is implementing a project to form the Volga Region Register of Potential Bone Marrow Donors (a program of targeted assistance to children in Tatarstan). Financial assistance is provided to seriously ill children with musculoskeletal disorders, cardiovascular, neurological diseases, autistic spectrum disorders, etc.

A similar joint project is being implemented with the **Podari Zhizn Foundation**, which provides targeted cancer treatment support to children in Tatarstan.

The following projects are also supported by the Foundation:
- ↗ Almetyevsk Light Wings Street Theater
- ↗ Almetrika Interactive Scientific and Educational Center
- ↗ Information and Exhibition Space
- ↗ Academy of Digital Creativity
- ↗ Animation School
- ↗ History is Made by People

about 200

children have received help

500

employees of TATNEFT are included in the bone marrow donor register

Detailed information about the projects can be found in the Educational Ecosystem and Cultural Heritage Preservation sections.

EDUCATIONAL ECOSYSTEM

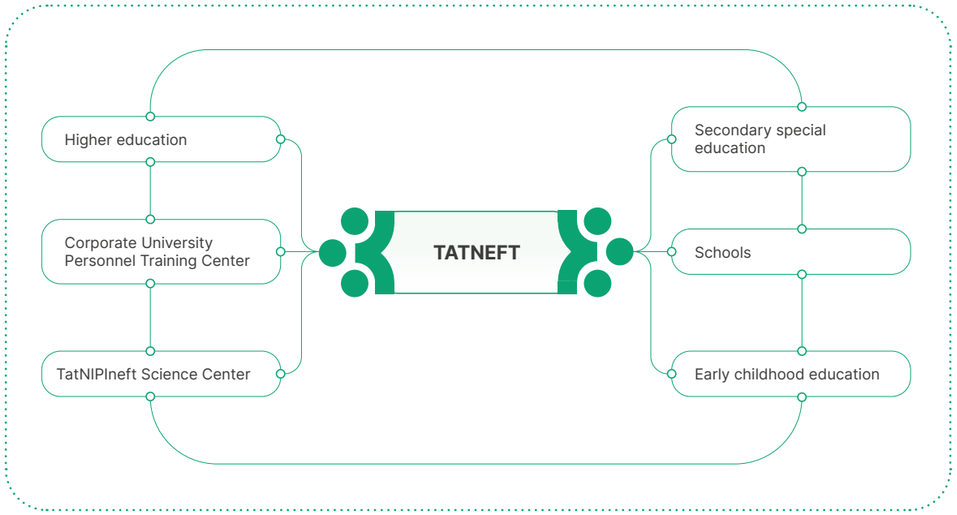
ENERGY OF the FUTURE

Currently, development of the human capital is the most urgent task, and educational systems that ensure quality personal development are a key criterion for the success and long-term sustainable development of the Company, the region and the country as a whole.

Education is one of the Company's key and long-term priorities. Based on our long-standing experience and competencies, we are directly involved in training a new generation of personnel, building an educational vertical.

The Company is creating a unified ecosystem of continuous advanced education and personal development, starting with the development of early childhood and school education systems, proceeding to cooperation with professional educational institutions and building partnership programs with universities to train oil and gas industry personnel. The Company implements a large number of programs and projects to support all levels of the educational system.

SYSTEM of CONTINUOUS EDUCATION — FUTURE STAFFING



4 QUALITY EDUCATION

Early childhood education

The Company participates in projects to help kindergartens by providing funds for their reconstruction, renovation and equipment, as well as organizes and sponsors various educational programs.

The TATNEFT and Childhood. Dialogue with the Future project has been implemented for several years in cooperation with the Child Development Laboratory of the Research Institute of Urbanism and Global Education at the Moscow City Pedagogical University. The main objectives of the project are: introduction of modern educational technologies in the region aimed at developing independence, initiative, friendliness, and love for the native land in preschool children; support of basic preschool institutions in the districts to promote best pedagogical practices; establishing networking between regions in key areas.

100
kindergartens are equipped

2,160
teachers upgraded their skills

The educational environment in the kindergartens will be brought in line with the best international standards, and an educational community of teachers, parents and children is being created in accordance with sustainable development goals and values, and respect for the environment and people. Teachers are trained to use early childhood education programs (spatial modeling, speech development, socio-game teaching technology, aesthetic and physical development of children). Kindergartens are being equipped with modern construction toys, physical education complexes, teaching aids and books. In 2023, 2,160 teachers upgraded their skills. and more than 100 kindergartens of the Republic are equipped with innovative tools and teaching aids.

21
kindergartens

7
districts of the Republic

1,300
employees

2,600
children

School Education Projects

The Almetrika Interactive Scientific and Educational Center is a unique museum and scientific space aimed at creating environment for the development of creativity in children and youth. More than 55 interactive exhibits make it easy to visualize the concepts of time, mass, length, current, light, temperature, amount of matter and energy. There are biology and chemistry laboratories. In 2023, more than 12,000 people visited the exposition, more than 100 public workshops and 20 science shows were held. Since its inception, the center has been visited by 42,636 people: 22,000 of them are schoolchildren from the southeastern part of the Republic; 8,690 people took part in the workshops.

The Academy of Digital Creativity provides conditions for the development of creativity in children and youth to promote computer graphics and digital creativity. The Academy has design and media studios that help to implement the Company's major projects. The Academy's educational formats include online courses, online podcasts, intensive sessions, and creative campuses. The Academy's portfolio currently consists of more than 30 courses and 40 workshops, with more than 2,500 participants. Approximately 4,000 children have been trained during the entire period of the Academy's operation.

The Academy of Digital Creativity has developed and introduced the Computer Literacy for the Older Generation course, which became a prize-winner of the regional stage of the WeTogether Award. The year of 2023 was marked by the victory of the Media Studio students at the Switch On, an all-Russian TV festival in Moscow.

The Animation School A1002 is a unique project for children to develop national animation, promote animation art, enhance and popularize children's and youth animation, created together with Soyuzmultfilm. The Animation School includes computer classes to teach 2D and 3D animation techniques, a MOCAP studio, a comic book area, a mini-library, a recording studio, a mini-cinema, a photo studio, etc. During 2023, the school had 197 children enrolled in 8 educational programs. 8 vacation intensive courses were held for 120 participants. There are also free movie screenings (over 200 audience members). The students of the school became participants and winners of various animation competitions of different levels. Eight finalists of the Animation Workshop organized at the Animation School — Animators Community by Bazelevs — are doing their internships as part of Hodja Nasreddin, which is an international animation project.

The Junior Geologists Competition is an open republican in-field competition. The annual competition is aimed at popularization and promotion of young geologists' clubs as a form of supplementary education for early career guidance. The VIII Competition was attended by 36 teams from secondary schools, which are the base sites of children's and youth geologica movement in Tatarstan. The total number of participants was 288 schoolchildren.

The Junior Ecologists Competition "Clean Heritage" is a republican open competition, organized by the Ministry of Ecology and Natural Resources of the Republic of Tatarstan and PJSC TATNEFT. The Competition is aimed at developing an environmental culture among schoolchildren, popularizing ecology, and uniting children and adults to protect the environment. In 2023, about 750 schoolchildren from 30 districts of the Republic of Tatarstan took part.

The ALMET Talk Educational Conference is an event for the pedagogical community of the southeastern part of Tatarstan, aimed at professional development and expansion of practical experience of teachers, which in 2023 was held for the 3rd time in 5 districts, with the coverage of more than 1,000 people. The conference enhances the interdisciplinary connections of the school program and facilitates sharing of metadisciplinary knowledge by practicing teachers.

The implementation of the Trade Career from School project is a step towards the revival of the training and production complex. Together with municipal authorities, the Company has adapted educational programs for students, prepared visual aids and teaching materials for 12 careers that are in demand in the production industry. The project participants have an opportunity to visit the production sites of the TATNEFT Group enterprises.

School Laboratories project is a network of school biolaboratories for plant microcloning. The project was launched in 2020, with eight schools participating in it today. The Company's funds were used to equip biology classrooms and biolaboratories where schoolchildren are engaged in microcloning of plants, participate in research, and study advanced biology. About 300 middle and high school students have been involved in the project since its launch. The seedlings grown by the school students are used for urban greening and reforestation. In this way, schoolchildren contribute to the maintenance of the biodiversity of the region.

1
biolaboratory for orphaned children

8
school biolaboratories

1
botanical garden

2
greenhouses

about 100,000
trees planted

Support for Secondary Vocational and Higher Education

The Company seeks to fill the shortage of personnel in the market who will be capable of working in the oil industry, so special importance is attached to the training of personnel in specialized secondary vocational and higher educational institutions. The majority of graduates work at the TATNEFT Group enterprises and continue their education at the Corporate University, forming an operational and promising personnel reserve.

Higher Oil School

The Company has implemented a unique project that combines university, industry science, education and real production — the Higher Petroleum School (HPS). The complex was created as a research center and as a center of innovative education and training of highly qualified experts for the Russian oil industry. The project is aimed at the development of the region and in the long term is intended to contribute to the development of human capital and the growth of efficiency of the TATNEFT Group's operations. The HPS Campus comprises of educational and laboratory buildings, laboratories, a sports facility, dormitories, and residential neighborhoods. In the future, the area will be expanded and new zones will be added to it.

SCIENCE AND UNIVERSITIES RUSSIAN NATIONAL PROJECTS

The project is financed from the Company's funds. An application has been submitted for federal funding for construction of facilities under the national project Science and Universities (Creating a Network of Modern Campuses).

HIGHER PETROLEUM SCHOOL CAMPUS — SCIENTIFIC WORKPLACES, INNOVATIVE RESIDENTIAL COMPLEX, and PUBLIC SPACES

- **design capacity:**
  - 1,700 students
  - 490 researchers
- **teachers, researchers, and school graduates were attracted from 36 constituent entities of the Russian Federation and 9 countries**
- **RUB 9 bln of the Company's investments**
- **infrastructure:**
  - 155,000 m²
  - 2 educational and laboratory buildings
  - 2 leading engineering schools
  - 80 laboratories
  - 72 lecture halls
  - 2 smart dormitories
  - a residential complex and a sports facility
  - a kindergarten
  - a hotel
  - a concert hall

Two Advanced Engineering Schools (AES) are successfully developing as part of the Higher Petroleum School:

- for problematic oil reserves;
- for biotechnology.

The Advanced Engineering School for Biotechnology is a leader among all Russian AES, training specialists in green chemistry, biomedicine, photonics, biotechnology, and software engineering. Within the framework of AES, a master's program, Artificial Intelligence in Biotechnological Systems, was launched, as well as educational programs in industrial biotechnology and computer science, while new educational spaces are being developed. TATNEFT is a key industrial partner of the federal project for the development of advanced engineering schools aimed at training qualified engineering personnel for high-tech industries, as part of the state program Scientific and Technological Development of the Russian Federation.

8
educational programs

200
students

> RUB 100 mln
as grants for research projects

Professionalism

In order to create a flexible model of qualified personnel training within the system of secondary vocational education based on the actual needs of the real economy, TATNEFT participates in the federal project Professionalism, being an industrial partner of 3 educational institutions (state autonomous vocational educational institutions: Almetyevsk Polytechnic College, Leninogorsk Oil College, and Aznakaevo Polytechnic College). Professionalism is listed among the strategic initiatives for socio-economic development of the Russian Federation until 2030. Being an industrial partner, PJSC TATNEFT has allocated 75 million rubles. The funding is aimed at equipping and renovating educational institutions and updating educational programs.

The Regional Competence Center for Mineral Resource Sector, established at the International Competence Centre for Mining-Engineering Education under the auspices of UNESCO, trains personnel for the mining industry, assists in the development of a unified system of international professional certification of engineering personnel, and improves the qualifications of specialists and scientific personnel. Throughout the period of joint work, activities related to the improvement of spoken English, information technology, well drilling technology, and other activities were organized for students. There are also continued efforts to actively develop student science and explore new areas.

19
areas of training

3
educational institutions

> 480
employer-sponsored students

RUB 75mln
of financing

Hospitality School

The Company initiated the establishment of the Hospitality School at the Almetyevsk Technical High School of Economics and Trade. The decision to create the School was made due to the need for qualified personnel in the tourism and service sector both in Tatarstan and in Russia. Educational areas of the Hospitality School are based on high Swiss standards and the classical European school of hospitality. 15 tutors have been trained and certified, and 4 educational programs have been updated.

ENVIRONMENTAL EDUCATION

CREATING AN ENVIRONMENTAL SCHOOL-UNIVERSITY-SOCIETY MINDSET

The Company pays great attention to shaping the right eco-friendly mindset and culture of respect for nature and resources by actively working with the population. Special programs cover people of all ages who carry forward Company's green ideas and projects. The Company pays special attention to educating the younger generation and promoting eco-friendly mindset. The Company's development strategy envisages that by 2030 educational programs related to sustainable development goals will cover half a million people in the regions where the TATNEFT Group operates.

The Company received the International Media Contest Energy of Words Award for developing ESG projects and promoting them

Popularization among Schoolchildren

Educational Projects

- TATNEFT SDG Envoys
- Environmental shifts and eco-projects at summer camps
- Looking for a Carbon Footprint

Competitions and initiatives

- Competition on separate waste collection
- Ecological field expedition to study the flora and fauna of the southeastern part of the Republic of Tatarstan
- Support of the Russian Wintering Bird Census in the southeastern part of the Republic of Tatarstan
- Clean Legacy, a republican competition of young environmentalists

Creating an environment conducive to development

- Almetyevsk Ecologization
- Annual contract to grow cloned plantlets in school biolaboratories
- Creation of a botanical garden at secondary school No. 2 in Aktyubinskiy settlement

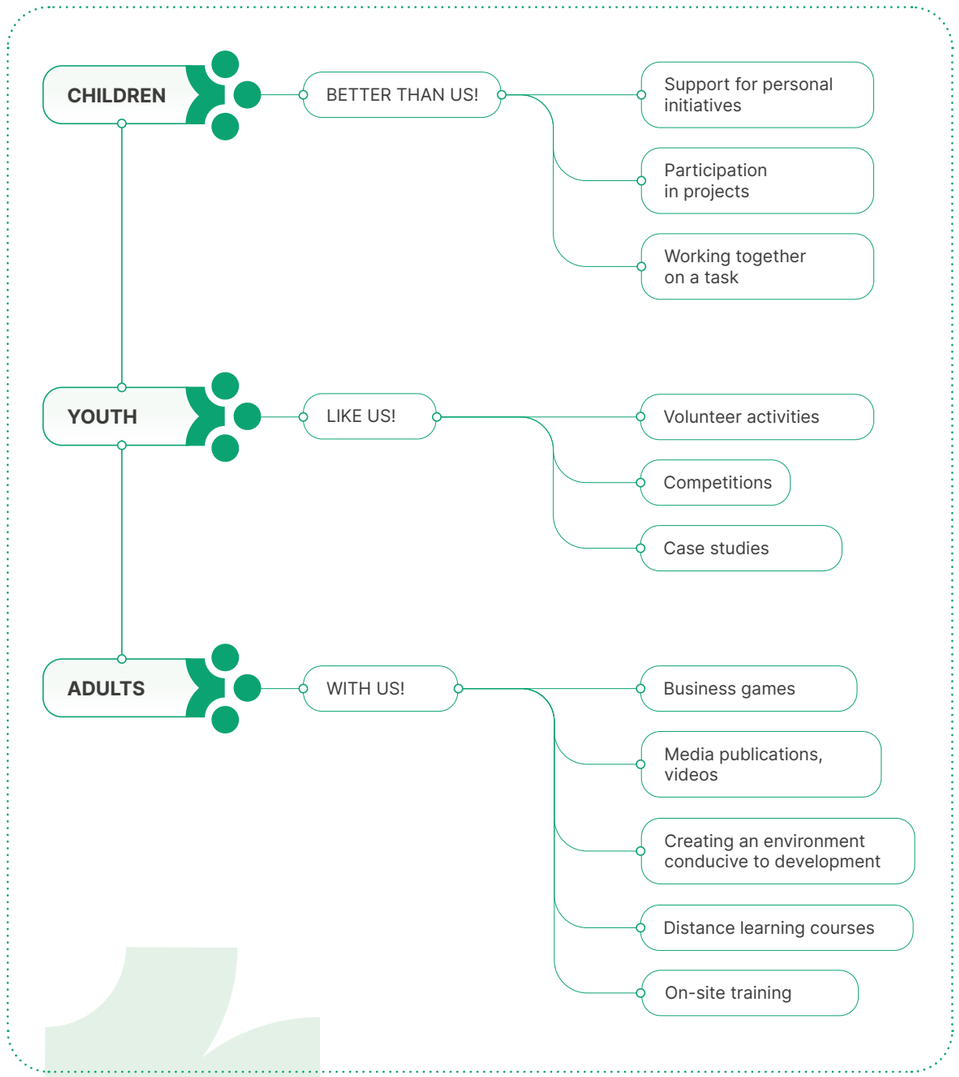
> 280,000

schoolchildren

> 300

volunteers from among students and young workers

SDG Promotion



In order to raise awareness of sustainable development issues and promote social responsibility among people, the Company has been implementing the TATNEFT SDG Envoys project since 2020. It unites the Company's employees, students and residents around universal values and involves them in joint socially significant volunteer projects. As part of this project, the Company's volunteers give lectures to schoolchildren, teaching them about respect for nature, responsible use of natural resources, circular economy, useful eco-habits, and key principles of social communication.

The main objectives for 2024 are: further development of the volunteer asset—TATNEFT SDG Envoys; inclusion of a new category of schoolchildren in the volunteer assets; translation of SDG knowledge to schoolchildren with the coverage of 200,000 children; replication of experience in the Samara Region.

Popularization among Young People

Educational Projects

- SDG training through youth forums
- Corporate University environmental courses
- Fundamentals of Energy Efficiency and Energy Saving course Projects and Initiatives
- 36 initiative projects were supported in the TATNEFT-ECO and TATNEFT-Dobro categories
- Environmental rafting
- Volunteer events and clean-up days
- Energy Watch by students
- Energy audit of the oilfield infrastructure facilities by students

> 1,100
schools

5,000
volunteer employees

116,000
children

800
lessons

«TATNEFT SDG Envoys» is the finalist of Our Contribution National Award

Popularization among Adults

Educational Projects

- Sustainable Development Management module of EMBA and MBA programs for top management
- Energy Saving and Energy Efficiency targeted training program for key business area specialists
- Environmental module as part of the TATNEFT-Master-2030 targeted training program
- Distance learning courses for all employees:
  - Climate Agenda, Sustainable Development Goals and the Company's Climate Position
  - Assessment of the Environmental Impact of the Activities of Energy Companies, etc.

Projects and Initiatives

- Environmentalist Day
- Environmental rafting
- Participation in voluntary clean-up activities
- Fish stocking in rivers
- Repopulation of the Red Book snow leopard, etc.

The Company's offices have made a lot of efforts to green their on-going work through introduction of double-sided printing of documents, printing on reverse sides and on cards, an electronic document management system, and cutting off purchases of disposable tableware and capsule coffee.

Posters explaining green and energy conservation principles and practices have been placed in the offices. Lectures and seminars by leading experts in green practices are held regularly.

PRESERVATION OF CULTURAL AND HISTORICAL HERITAGE

ENERGY OF TRADITIONS. TO REMEMBER OUR HISTORY TO REMEMBER OUR ROOTS. TO KNOW WHERE WE COME FROM

GRI 3-3

Revival of national spiritual traditions and support for culture in general have always been among TATNEFT's priorities. Using the language of art, the Company creates its own cultural code based on respect for our traditions, values and national specifics, while combining them with modern, high-tech, environmentally friendly, and responsible business principles. In this way, we instill respect for our roots, love for our homeland, sensitivity to beauty in all its manifestations, and the preservation of our historical and cultural heritage.

> RUB 680 mln

as funding for projects to develop culture and art

Company's Culture Code

Company's Mission and Vision
+
Sustainable Development Goals
+
National Traditional Values

CREATIVE AND ETHNOCULTURAL PROJECTS

Karakuz Ethnocultural Festival

The Company contributes to the preservation and strengthening of the culture of the multinational population of the Republic and revives centuries-old traditions of fairs and street performances, which create a favorable atmosphere for self-realization of talented and creative people and groups.
The Karakuz Festivalis an annual event that transforms the city into a multicultural center with music venues, fairs and master classes, carnival processions, plays, and performances.

Light Wings Street Theater

The first professional street theater in the Republic of Tatarstan, created to develop the art of street performance using the traditions of the Russian and Tatar theater schools and to train street performers. The theater has created more than 30 street performances and productions in such genres as clowning, pantomime, mask theater, stilts theater, promenade performance, choreographic theater, experimental production, as well as winter Christmas fairy tales.Classes at the theater are traditionally free of charge.Every year, the theater ensemble takes part in international and Russian festivals of street art.

> 70,000

audience members and participants

KARAKUZ is the national project of the year, winner of the Results of the Year 2023. City, People and Teams award by Enter online magazine

11 SUSTAINABLE CITIES AND COMMUNITIES

Urban Cultural Environment

The main priorities of the project are the development of a vibrant cultural life of cities and districts by involving citizens in the creative process; preservation and development of national and musical traditions; development of modern musical art; ensuring accessibility of cultural and entertainment programs for all segments of the population. In each of the districts there are several sites, popular with residents and visitors of the cities, where music and entertainment programs and master classes are held weekly during summer.

project coverage: 9

southeastern cities of the Republic of Tatarstan

Aulak Social Theater

This is the first social theater in the Republic set up in 2022 which provides an opportunity to engage in creative work to "invisible" people: people with disabilities or developmental needs, troubled teens, pensioners, schoolchildren, students and others. The theater is an inclusive platform where theater professionals from Tatarstan and Russia create and perform contemporary theater productions together with local people. In 2024, the Social Theater has scheduled to release a play in sign language, participate in festivals, work with rural schools, organize inclusive master classes and lectures, and arrange theater labs for townspeople.

Following the strategy to preserve and revive the region's cultural heritage and develop a cultural cluster related to performing arts and museum values, the Company implements various projects to study and promote little-known musical heritage, reconstruct ancient instruments and musical works of the Volga Region peoples:

- The Information and Exhibition Space is an educational center and a platform for communication between different groups, which plays an important role in the formation and development of the cultural identity of the region, transmitting its symbols and values to visitors and residents of the city. The Exhibition of Musical Instruments of the Peoples of the World is located on its site. The collection consists of musical instruments of large and small ethnic groups, as well as peoples living in different countries, and includes the largest classified collection of pan-Turkic instruments in Russia. In 2023, more than 5,300 people visited the exhibition. The exhibition was presented at the Sheremetyev Palace in St. Petersburg.
- Kadim Almet, a musical ensemble organized at the Exhibition of Musical Instruments of the Peoples of the World, united musicians and vocalists engaged in the revival of authentic music and root culture of the Tatars. The ensemble takes part in cultural and musical forums and festivals.
- Karlygach is a children's ethno-music ensemble created on the basis of the children's music school of Almetyevsk, where children master the skills of playing Turkic instruments and study Old Tatar music. The ensemble is a laureate of regional, Russian and international competitions.
- Revitalizing Authentic "Voice of the People" as part of the project, experimental samples of indigenous Tatar musical instruments are produced and donated to music schools in the oil region; musical and ethnographic expeditions are organized. On the basis of expedition materials it is planned to create a cultural passport of the region for its use in educational programs.

Documentary performance Kara Sot of the Aulak Theater is the nominee of the Long-list 2023 of the Russian theater award of the Golden Mask Festival

Tales of the Golden Apples

An artistic project for the improvement and development of the urban environment of Almetyevsk, implemented by the Company together with the Nov Bureau and the Street Art Research Institute.

For five years of the program, foreign and Russian artists have created more than 40 art objects (murals, sculptures, laser installations, multimedia objects, etc.), which reflect the thousand-year history and culture of the Tatar people in the language of contemporary art. A new urban space was created — Industrial Square.

As part of the project, a series of guided tours have been organized, each of which reveals a new side of the city and the art on its streets.

The Industrial Square was awarded a prize in the Special Mention section of A+Awards,an international architectural award of the Architizer portal, in the Urban Transformation category

HISTORIC HERITAGE PRESERVATION PROJECTS

History is Made by People

The project is aimed at preserving the historical truth about the development and evolution of the oil industry of the Russian Federation and the Republic of Tatarstan, perpetuating the memory of the veterans, who made a significant contribution to the creation, development and evolution of our region. The project organized and conducted more than 4,000 video interviews with veterans from cities of the Republic, as well as Samara, Tolyatti, and Moscow. The website features the case histories of 1,135 people (https://veterans.tatneft.ru/history). The materials collected as part of the project formed the basis for the events dedicated to the 80th anniversary of Tatarstan's oil and the 75th anniversary of the development of oil fields in the Republic of Tatarstan.

Oil Museum

The history of the development and evolution of the oil industry in Tatarstan is preserved by the Oil Museum Group created and supported by the Company. It includes two museums. The first oil museum of the USSR was established on October 1, 1968, in Leninogorsk, the homeland of Tatarstan oil. The museum chronicles the history of oil, reflecting its brightest and most significant pages. The second museum, opened in 2015 in the village of Shugurovo, is an open-air museum complex with expositions telling about the history of creation and development of the first large industrial enterprise, the Shugurovsky Oil-Bitumen Plant.

TATNEFT Search Team

The team is a structural subdivision of Association Fatherland, which is a regional youth organization of the Republic of Tatarstan of Searching Movement of Russia, a Russian public movement. The team brings together volunteers who are determined to immortalize and preserve the memory of the fallen defenders of the Fatherland, encouraging teenagers and young people to take part in this activity. In 2023, the team studied and analyzed documents of more than 350 cases in the Central Archive of the Moscow Region of the Russian Federation, raised remains of 239 fighters, established names and information on 16 soldiers. TATNEFT Search was one of the first to resort to DNA expertise, with 59 objects analyzed. Over the year, schoolchildren and students were being engaged, and Lessons of Courage were held. The coverage is more than 3,000 people. The Museum of the Glory of the Battle was set up in Almetyevsk school No. 25, where the exhibits found in the places of former combat operations are showcased.

Digitalization of Ancient Manuscripts

A joint project on digitalization of ancient manuscripts on the Orient and Muslim peoples of Russia with Kazan Federal University and the Institute of History named after Sh. Marjani of the Academy of Sciences of Tatarstan, aimed at ensuring the preservation of historical and cultural heritage and promoting the introduction of modern technology in archiving. Research, cataloging, digitalization and web-publishing is done by the Autonomous Nonprofit Organization Center for Historical and Cultural Heritage Preservation Assistance TATNEFT-Nasledie. More than 14,000 Arabic books and manuscripts, coming from the collections of the N.I. Lobachevsky Scientific Library of Kazan (Volga Region) Federal University and the Institute of Oriental Manuscripts of the Russian Academy of Sciences, were digitized. The volume of manuscripts to be digitized is estimated at 30,000. The project has Book Monument status.

Digitalization of book monuments is included in the federal project Digital Culture, which is part of the national project Culture

> 14,000
copies digitized

INTERACTION WITH LOCAL INDIGENOUS PEOPLE LIVING A TRADITIONAL LIFESTYLE

GRI 3-3, 411 SASB EM-EP-210a.2, EM-EP-210a.3

The Company takes into account the rights of local communities and indigenous minorities when making decisions on the implementation of projects that use resources or are located in territories owned or traditionally used by indigenous minorities or that constitute their cultural heritage. The Company adheres to preservation of national and cultural identity of the peoples living in the operating regions of TATNEFT Group.

The Company adheres to the principles of rational use of natural resources, preservation of a favorable environment, ecosystems and biological diversity of systems, preservation of historical and cultural heritage sites, and prevention of environmental damage caused by economic activity in the areas of traditional use of land by indigenous peoples and small-numbered peoples living in the areas of operation.

Limited impact is achieved through the adoption of energy-efficient technologies, the use of green and alternative energy sources, waste recycling, and the use of recyclable materials. The Company does not operate in places of ancient settlements, monuments of history and culture, places of worship, ancestral burial grounds and other objects of historical and cultural value.

The Company has the TATNEFT Group Policy on Interaction with Local People Living Traditional Lifestyles, Preservation of Ecosystem of Traditional Nature Management Areas and Traditional Lifestyles of Local People Living in the Areas of TATNEFT Group Activities.

Main Policy implementation mechanisms are:

- Conclusion of agreements on participation of the Company in socio-economic development of the region with the administrations of the constituent territories of the Russian Federation and municipalities in the areas of traditional residence and traditional economic activities of small-numbered peoples of the Russian Federation;
- Informing, consulting, organizing feedback channels, cooperation with public organizations of small-numbered peoples.

The interests of indigenous and small-numbered peoples are affected by geological exploration and the construction of winter roads in areas traditionally used for reindeer grazing. In its activities, the Company enters into a reimbursable agreement to establish a private easement on a land plot (when temporarily occupying land plots for reindeer grazing). Environmental and subsoil monitoring at the Company's license areas in the Nenets Autonomous District is carried out annually. According to soil and water indicators, the environmental situation in the monitored areas in 2023 is acceptable, almost clean.

The Company provides charitable support for sporting events held among the local indigenous population.

In 2023, there were no conflicts with the indigenous peoples and no cases of violations affecting the rights of indigenous peoples and small ethnic communities.

Company's Position on Interaction with Local Indigenous People Living a Traditional Lifestyle

HEALTHY LIFESTYLE

ENERGY OF MOTION

GRI 403-6, 403-7 | SASB EM-EP-210a.3, EM-EP-210b.1

The Company cares about the health of its employees and the inhabitants of the regions where it operates and invests significant efforts and resources in a healthy social infrastructure. Every year PJSC TATNEFT allocates more than 1 billion rubles to support healthcare, sports, and healthy lifestyles.

In order to implement SDG 3, TATNEFT has developed and approved a program aimed at creating conditions for providing affordable and quality medical care, introducing innovative technologies of preventive medicine and, as a result, reducing the incidence of diseases. SDG 3 roadmap includes projects aimed at providing quality medical care and preventive measures not only to the employees of the TATNEFT Group, but also to the inhabitants of the regions where the Company operates.

In order to prevent occupational accidents, preventive measures are taken to explain the need to observe the principles of a healthy lifestyle, nutrition, and a reasonable work/rest schedule.

Control of compliance with occupational health and fire safety rules has been strengthened, especially during weekends, holidays, and the first and last days of the week.

Health services population coverage:

11
districts of the south-east of the Republic of Tatarstan

800,000
people

Medical Transformation Program

TATNEFT implements a comprehensive program for transformation of medicine in the south-east of the Republic and operating regions: It builds and renovates medical institutions, purchases and maintains advanced medical equipment and cars for hospitals, organizes training of doctors, and provides them with housing.

Since 1995, the Company has been creating a system of multidisciplinary and high-tech medical care in Almetyevsk on the basis of a medical and sanitary unit (MSU). Construction, equipment, technical support of equipment and infrastructure of the institution, training and education of employees, social guarantees to attract the best specialists to work at the institution — these are just some examples of TATNEFT's participation in the activities of the institution. As of January 1, 2023, Almetyevsk Interdistrict Multidisciplinary Hospital, a state autonomous healthcare institution, was established on the basis of the Medical Unit of PJSC TATNEFT and Almetyevsk under the authority of the Ministry of Health of the Republic of Tatarstan, to which all statutory medical activities and property complex have been transferred.

The Company's support facilitated construction and equipment of a polyclinic, a surgical hospital, a surgery, an intensive care unit, a palliative service, an endoscopy center, a reception and diagnostic department, and a radiology building in the Almetyevsk Branch of the Republican Clinical Oncological Dispensary.

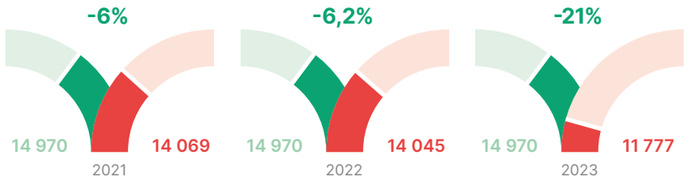
HEALTHCARE
RUSSIAN NATIONAL PROJECTS

Company's activities to transform medicine contribute to the implementation of Russian national project Healthcare

3 GOOD HEALTH AND WELL-BEING
11 SUSTAINABLE CITIES AND COMMUNITIES

SDG 3 GOALS

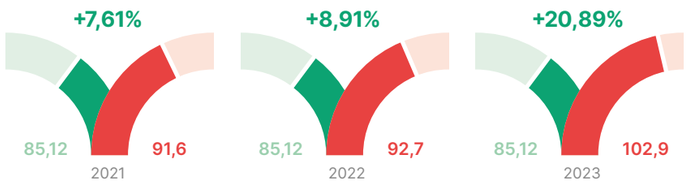
Reduction of the number of temporary disability days by 25% by 2025 and by 50% by 2050



Specific rate of temporary disability per 1000 employees, days

Reduction in the frequency and severity of occupational injuries by 30% by 2025*

Injury frequency rate per 1,000 employees



Injury severity rate

LTIFR

* The increase in the number of accidents is due to the addition of service assets to the TATNEFT Group, the operation of which is associated with a high risk of occupational injuries and accidents.

A geriatric center, built with the Company's support, operates in the village of Shugurovo, Leninogorsk District, Tatarstan, engaged in the study, prevention and treatment of diseases of the elderly and rehabilitation of senile asthenia syndromes.

In 2023, as part of the SDG 3 implementation program, the following efforts have been made:

- modernization, systemic transformation and equipment of 25 health posts of the TATNEFT Group enterprises;
- establishment of a medical center at the Leninogorsky Sanatorium, with new types of medical, diagnostic, and rehabilitation services offered by the sanatorium. The types of services provided in other sanatoriums and health centers of the Company have also been expanded.
- 2 hospitals in Tolyatti were equipped with new high-tech endoscopic equipment;
- in Nizhnekamsk, the Center for Emergency Medicine was equipped with a magnetic resonance tomography scanner, and the therapy building at the Central District Multidisciplinary Hospital was renovated;
- construction and modernization of a maternity hospital with a perinatal center in Almetyevsk are underway; development of project documentation on building overhaul was completed.

Support for Sports and Healthy Lifestyles.

Today, the Company promotes a healthy lifestyle among employees and their families, non-working pensioners, creates conditions for increasing the availability of social services, and promotes a healthy lifestyle, health, and longevity among the general population.

Sports support programs have a particularly important place in the development of a culture of healthy lifestyles. Participation in corporate sports events boosts the sports movement and gives employees the opportunity to demonstrate their achievements.

The Company supports various sports competitions: boxing, wrestling, tennis, badminton, swimming, volleyball, karate, figure skating, acrobatics, skiing, and other sports. In the reporting year, more than 1,800 people from 43 enterprises of the TATNEFT Group took part in various sports competitions. The Company also supports children and youth hockey, boxing, wrestling, swimming, volleyball, karate, figure skating, skiing, acrobatics, table tennis, and kickboxing.

The Company's sports facilities are becoming favorite places of active recreation for the entire population of the oil region and its visitors. In 2023, more than 64,000 people visited the PJSC TATNEFT ski resort. In 2022–2023 winter season, about 36,000 people visited the ice rink in Almetyevsk.

As part of the Active Longevity Rehabilitation Program, 10 Active Longevity Centers are operating for elderly people in 5 southeastern cities of Tatarstan. The centers are equipped with unique training equipment with low-intensity modes, where the physical load has been adjusted specifically for the elderly. Exercises for elderly people are used as a key element of active longevity and are aimed at increasing physical strength, reducing the risk of injuries in everyday life, reducing the risk of diseases and improving the quality of life. Over 28,000 people visited the centers in 2023.

In 2016, Green Fitness was launched on a large scale in Almetyevsk with the commercial support of TATNEFT. At Green Fitness, people of all ages can do dance exercises, yoga, Zumba, and other activities in multiple locations at the same time. The advantage of these classes is that they are held outdoors and the outdoor sites can accommodate many people. The classes are led by professional instructors. More than 40,000 citizens are engaged in Green Fitness in Almetyevsk. Today, the project has expanded its boundaries and operates throughout Tatarstan.

DEMOGRAPHY
RUSSIAN NATIONAL PROJECTS

Company projects contributing to the implementation of the Russian national project Demography

Support and development of 43 sports

Financial support >40 sports organizations

- **3 equestrian schools**
  Almetyevsk, Elabuga, Aktyuba settlement
- **stud farm**
  Nurlat
- **horse training facility**
  Almetyevsk

Since 2016, the Company has been implementing an ongoing program for the development of horse breeding and equestrian sports in order to promote horse riding and equestrian sports in general, as well as to develop a network of children's equestrian schools. During this time, two modern riding and dressage arenas were built, and one arena was reconstructed.

The Company is engaged in selection and breeding of sport horses. The Nurlat Stud Farm keeps about 100 horses. Equestrian competitions in Olympic equestrian sports (show jumping, dressage) and trotting and racing horse breeds (trotting and racing) are held annually. Auctions for the sale of breeding horses are also organized.

All equestrian facilities are maintained by the Company in proper condition, with timely renovation and reconstruction. The resources and equipment of equestrian facilities, including horse riding equipment and accessories, as well as uniforms for children, are provided in full. More than 300 children are regularly engaged in equestrian sports. They participate in competitions organized by the Company and also have the opportunity to travel outside the Republic. Centaur, an equestrian school, has been developing hippotherapy as one of the rehabilitation methods for children with special needs.

Care for Children

The League of Children's Camps is a project in which 10 children's health camps (CHC) of the Company are united by one idea, one goal, and one team, where children's health improvement and recreation programs are implemented at a high-quality level, the purpose of which is the all-round development of a child.

In recent years, due to the establishment of the Company's educational cluster, children in the camps do not just rest, but also develop their skills and talents in chosen areas: environment, business and financial literacy, linguistic programs, tourism and local history, horseback riding and enhanced physical training, choreography, design, etc. The comprehensive educational program also includes projects that promote the Sustainable Development Goals. Mini stables with ponies are available in children's camps to encourage children to socialize with horses and to practice equestrian sports, as well as to organize hippotherapy classes.

In addition to the children of employees of the Company and other commercial organizations, children of employees of government-funded organizations also have the opportunity to spend their vacations at summer camps, with the cost of the camp vouchers partially covered. Between 2021 and 2023, 28,418 children vacationed in the camps.

The Company remains committed to improving the health and longevity of its employees, their families and the community at large, by promoting healthy lifestyles and implementing existing programs.

> 8,000

schoolchildren spent their vacations at the CHC

SUPPORT FOR DEVELOPMENT INITIATIVES

GRI 2-23, 2-28

Since 2019, the Company has been a member of the UN Global Compact, which has committed itself to the 10 principles and 17 Sustainable Development Goals.

HUMAN RIGHTS AND LABOR RELATIONS

The Company adheres to and shares the principles of fundamental international declarations and conventions in the field of human rights and labor relations, including:

- UN Universal Declaration of Human Rights
- UN Environment and Development Declarations
- OECD Guidelines for Multinational Enterprises
- Declaration of Fundamental Rights and Principles at Work of the International Labor Organization (ILO)
- ILO Convention No. 87 Concerning Freedom of Association and Protection of the Right to Organize
- ILO Convention No. 98 Concerning the Application of the Principles of the Right to Organize and Collective Bargaining
- ILO Convention No. 111 Concerning Discrimination in Respect of Employment and Occupation

ENVIRONMENT AND CLIMATE

In its activities, the Company takes into account and supports several fundamental initiatives in the environment and climate safety:

- Standard and recommendations of the Greenhouse Gas Protocol
- Setting Science Based Targets to reduce greenhouse gas emissions
- Oil and Gas Industry Climate Initiative (OGCI)
- Recommendations for companies to disclose information on financial risks arising from global climate change (TCFD)

ANTI-CORRUPTION ACTIVITIES

The Company adheres to the principles and norms contained in the following documents:

- The United Nations Convention against Corruption (adopted by the UN General Assembly Resolution in New York on October 31, 2003)
- The Convention of the Organization for Economic Cooperation and Development on Combating Bribery of Foreign Public Officials in International Business Transactions (adopted in Istanbul, on November 21, 1997)
- Criminal Law Convention on Corruption (concluded in Strasbourg on January 27, 1999, ETS No. 173)
- Anti-corruption Charter of Russian Business community

SOCIAL CHARTER OF RUSSIAN BUSINESS COMMUNITY

The Company adheres to the responsible business principles defined by the Social Charter on Responsible Business, covering aspects of economic and financial sustainability, product quality, respect for human rights, business ethics, and relations with partners, consumers, employees, environmental safety, participation in the development of the local community.

MEMBERSHIP IN ASSOCIATIONS

The Company enters into partnerships and participates in industrywide associations in order to constructively interact with international organizations, government agencies and other industry players and to elaborate the stance on key issues of the fuel and energy sector.

PUBLIC ASSURANCE OF THE REPORT

The purpose of public assurance of the Report is:

- Promoting public recognition of the results of business practices in the field of sustainable development, which information is contained in the corporate report;
- Increasing the level of confidence of the Company stakeholders in the information contained in the Report;
- Assistance in developing the nonfinancial reporting process in the Company.

The subject of public assurance is the significance and completeness of the information disclosed in the Report on the results of activities in the field of sustainable development. Information that reflects the Company's activities in implementing the Principles of Responsible Business Practice is considered significant. Completeness of information assumes that the Company represents a set of characteristics of sustainable development activities – values and strategic benchmarks, management system and structure, interaction with stakeholders, performance results, performance indicators.

Certificate of public assurance of a corporate nonfinancial report

РСПП

Российский союз промышленников и предпринимателей

СВИДЕТЕЛЬСТВО

об общественном заверении
корпоративного нефинансового отчета

Интегрированный годовой отчет
ПАО «Татнефть» им. В.Д.Шашина
за 2023 год

прошел процедуру общественного заверения
в Совете РСПП по нефинансовой отчетности

Развернутое заключение Совета РСПП об общественном заверении Интегрированного годового отчета ПАО «Татнефть» им. В.Д.Шашина за 2023 год направлено в Компанию, которая может публиковать его без каких-либо изменений и использовать как для внутрикорпоративных целей, так и в целях коммуникаций с заинтересованными сторонами.

Регистрационный номер 254.04.037.01.23

Президент РСПП А.Шохин

Москва, 2024

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT

UNDER THE LIMITED ASSURANCE ENGAGEMENT

The purpose of engaging an independent auditor to review selected information in the Report is to obtain its limited assurance report.

Technologies of Trust

Joint-Stock Company
"Technologies of Trust – Audit"
("Technologies of Trust – Audit" JSC)

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Moscow, Russian Federation, 117218

F: +7 495 967 6001

Independent Auditor's Limited Assurance Report

To the Management of Public Joint Stock Company TATNEFT named after V.D. Shashin:

Introduction

We have been engaged by the Management of the Public Joint Stock Company TATNEFT named after V.D. Shashin (hereinafter – the "Company") to provide limited assurance on the selected information described below and included in the Integrated Annual Report of the Company for the year ended 31 December 2023 (hereinafter – the "Integrated Annual Report"). The Integrated Annual Report represents information related to the Company and its subsidiaries (hereinafter together – the "Group"), unless otherwise stated in the Integrated Annual Report.

Selected information

We assessed the quantitative and qualitative information specified in Appendix 1 to this report, that is disclosed in the Integrated Annual Report and referred to or included in the GRI Content Index of the Integrated Annual Report (hereinafter – the "Selected Information").

The scope of our limited assurance procedures was limited to the Selected Information for the year ended 31 December 2023 only. We have not performed any procedures with respect to earlier periods or any other items included in the Integrated Annual Report (including any disclosures under the Task Force on Climate-related Financial Disclosures and the Sustainability Accounting Standards Board Standards), and, therefore, do not express any conclusion thereon.

Reporting criteria

We assessed the Selected Information using relevant criteria, including disclosure requirements contained in the relevant GRI Sustainability Reporting Standards 3, 302, 303, 305, 306, 11 (hereinafter – the "GRI Standards"), published by the Stichting Global Reporting Initiative (hereinafter – the "Reporting Criteria").

We believe that the Reporting Criteria are appropriate given the purpose of our limited assurance engagement.

Responsibilities of the Group's management

Management of the Group is responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- establishing internal methodological documents and guidelines for preparing and reporting the Selected Information in accordance with the Reporting Criteria;
- preparing, measuring and reporting of the Selected Information in accordance with the Reporting Criteria; and
- the accuracy, completeness and presentation of the Selected Information.

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Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Management of the Group.

This report, including our conclusion, has been prepared solely for the Management of the Group in accordance with the agreement between us, to assist management in reporting on the Group's sustainability performance and activities. We permit this report to be disclosed in the Integrated Annual Report, which will be published on the Company's website[i], to assist management in responding to its governance responsibilities by obtaining an independent auditor's limited assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of the Group for our work or this report except where the respective terms are expressly agreed between us in writing and our prior consent in writing is obtained.

Professional standards applied and level of assurance

We performed our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and the ethical requirements of the Auditor's Professional Ethics Code and Auditor's Independence Rules that are relevant to our limited assurance engagement in respect of the Selected Information in the Russian Federation.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Work done

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. In doing so, we:

- made enquiries of the Group's management, including the Group Sustainability Reporting (SR) team and those with responsibility for SR management and Group SR reporting;
- conducted interviews of Group's personnel responsible for the preparation of the Integrated Annual Report and collection and analysis of underlying data;
- performed analysis of the relevant internal methodological documents and guidelines, gaining an understanding of the design of the key structures, systems, processes and controls for managing, recording, preparing and reporting the Selected Information;

[i] The maintenance and integrity of the Company's website is the responsibility of the Management of the Company; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information or Reporting Criteria when presented on the Company's website.

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- performed limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported; and
- reviewed the Selected Information for compliance of the disclosures with the relevant requirements of the Reporting Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Reporting and measurement techniques

Under the GRI Standards there is a range of different, but acceptable, reporting and measurement techniques. The techniques can result in materially different reporting outcomes that may affect comparability with other organisations. The Selected Information should therefore be read in conjunction with the methodology used by management in preparing the Integrated Annual Report, described therein, and for which the Group is solely responsible.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2023 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

20 May 2024

Moscow, Russian Federation

Kriventsev Evgenii Nikolaevich is authorised to sign on behalf of the General Director of Joint-Stock Company "Technologies of Trust – Audit" (Principal Registration Number of the Record in the Register of Auditors and Audit Organizations (PRNR) – 12006020338), certified auditor (PRNR – 21906099944)

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Appendix 1 to the Independent Auditor's Limited Assurance Report dated 20 May 2024

The Selected Information prepared in accordance with the GRI Disclosures and subject to limited assurance procedures is set out below:

GRI Disclosure	Description
3-3	Management of material topics (Environmental expenditures, environmental investments)
302-1	Energy consumption within the organization
303-3	Water withdrawal
303-4	Water discharge
303-5	Water consumption
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions
306-3	Waste generated
306-4	Waste diverted from disposal
306-5	Waste directed to disposal
11.1.1	Utilization of associated petroleum gas

FORWARD-LOOKING STATEMENTS

Information disclosed in this Report contains some forward-looking statements. Such statements include, inter alia, plans, tasks, and forecasts of production, including those relating to the output, products, and services, economic, and financial indicators, information concerning anticipated or expected income, profit (loss), net profit (loss) in respect of shares, dividends, capital structure, and other indicators and ratios as well as statements concerning the prerequisites, on which we base our statements. All statements, other than statements of historical facts, are or may be considered forecast statements.

Forward-looking statements are statements of future expectations that are based on the management's current expectations and assumptions and include known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, inter alia, statements regarding the Company's potential exposure to market risks and statements expressing the expectations, beliefs, estimates, forecasts, projections, and assumptions of the management. These statements are accompanied by the wordings "is expected," "intends," "is planned," "will," "strives," "is projected," "is forecasted," "ambition," etc.

Due to their specific nature, the statements about the future are subject to inherent risks and uncertainties, both general and specific. There is a risk that future actual results may differ materially from plans, goals, expectations, estimates, and intentions expressed in such statements or may not be realized due to several different factors of economic, financial, political, social, legal aspects that are outside of the Company's control, including factors that may affect future operations of the Company.

Forward-looking statements cannot serve as the grounds for any investment decisions. Each forward-looking statement is only relevant on this Report date. Neither the Company nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statements based on new information, future events, or other information. Due to rounding the calculated indicators, the Report text may contain errors in the calculation of shares, percentages, amounts — except for financial statements. The data presented in this Report may differ slightly from the data published previously due to the difference in rounded figures.

ATTACHMENTS

Report on compliance with the Corporate Governance Code principles and recommendations 282

Key risks 306

REPORT

ON COMPLIANCE WITH PRINCIPLES AND RECOMMENDATIONS OF CORPORATE GOVERNANCE CODE

Attachment 1

Statement of PJSC TATNEFT Board of Directors on the Company's compliance with the corporate governance principles set forth in the Corporate Governance Code

The Board of Directors hereby declares that the Company applies a corporate governance model that meets the requirements of the legislation of the Russian Federation and the requirements applicable to securities issuers with shares included in the First Level quotation list of the Moscow Exchange. The Board of Directors continues to promote the development of an effective corporate governance system respecting the interests of shareholders and ensuring information disclosure, and maintaining an effective risk management and internal control system.

The Board of Directors has noted an improved level of compliance of the Company's corporate practices with the criteria of the Corporate Governance Code recommended by the Bank of Russia.

The Board of Directors confirms that the data provided in this Report contain complete and reliable information on PJSC TATNEFT's compliance with the principles and recommendations of the Corporate Governance Code for 2023.

Description of the methods used by the Company to assess its compliance with the corporate governance principles:

The Company's compliance with the corporate governance principles was assessed in accordance with the recommendations of the Bank of Russia "On Disclosure in the annual report of public joint stock companies of the report on compliance with the principles and recommendations of the Corporate Governance Code" (letter of the Central Bank of the Russian Federation dated 27.12.2021 № IN-06-28/102). Explanation of key reasons, factors and (or) circumstances due to which the Company does not comply or does not fully comply with the corporate governance principles prescribed in the Corporate Governance Code, and description of corporate governance mechanisms and tools used by the Company instead of those recommended by the Corporate Governance Code, as well as planned actions and measures to improve the corporate governance model and practice, indicating the implementation deadlines for such actions and measures.

This Report on compliance with the principles and recommendations of the Corporate Governance Code was reviewed by the Board of Directors of PJSC TATNEFT named after V.D. Shashin at the meeting held on May 15, 2024 (Minutes No. 4-Z dated 15.05.2024).

№	Corporate governance principles	Assessment criteria for corporate governance principle compliance	Compliance status with corporate governance principle	Explanation of deviations from criteria used to assess compliance with good corporate governance
1.1	**The Company shall ensure that all its shareholders are treated in an equal and fair manner when exercising their rights to participate in managing the Company**			
1.1.1	The Company creates the most favourable conditions for its shareholders to participate in the general meeting and to develop informed positions on the items on the agenda, as well as to give them the opportunity to coordinate their actions and express their opinions on the issues under discussion.	1. The Company provides an accessible means of communication with the Company, such as a hotline, e-mail or internet forum, to enable shareholders to express their opinions and submit their questions on the agenda during the preparation of the General meeting. The above methods of communication were arranged by the Company and made available to shareholders in the course of the preparation for each General Meeting held during the reporting period.	☑ complied with ☐ partially complied with ☐ not complied with	
1.1.2	The procedures for notifying of the General Meeting and making available the relevant documents enable the shareholders to prepare properly for their participation in the General Meeting.	1. During the reporting period, the notification of the General Meeting was posted (published) on the Company's website at least 30 days before the date of the Annual General Meeting, unless a longer period was required by law. 2. The notification indicated the venue of the meeting and the documents to be presented permitting access to the premises. 3. The shareholders were given access to the information on who proposed the items on the agenda and who nominated the candidates for the Board of Directors and the Revision Commission of the Company (if the Articles of Association provides for the Company to set up such a Commission).	☐ complied with ☑ partially complied with ☐ not complied with	Criteria 1 and 2 are met. Criterion 3: Under Decree of the RF Government No. 351 dated 12.03.2022, and due to the introduction of restrictive measures by unfriendly countries against the Issuer and certain members of the Issuer's management bodies, the information on the persons nominated candidates to the Board of Directors and the Audit Committee of the Company in 2023 was not provided to the shareholders. It will be possible to provide shareholders with access to this information once the geopolitical situation is regulated.
1.1.3	During the preparation for and the holding of the General Meeting, the shareholders were able to obtain information about the meeting and its documents freely and in a timely manner, to put questions to the members of the company's executive bodies and the Board of Directors and to communicate with each other.	1. During the reporting period, shareholders had the opportunity to put questions to the members of the Company's executive bodies and the Board of Directors before and during the General Meeting. 2. The standpoint of the Board of Directors (including dissenting opinions recorded in the minutes) on each item on the agenda of the General meetings held during the reporting period was included in the proceedings for the General meeting of shareholders. 3. in all cases where General Meetings were held during the reporting period, the Company provided shareholders with access to the list of persons entitled to attend the General Meeting from the date on which it was received by the Company.	☑ complied with ☐ partially complied with ☐ not complied with	
1.1.4	There were no unjustified difficulties preventing shareholders from exercising their right to request the convening of a General Meeting, to nominate candidates for the company's governing bodies and to place proposals on the agenda.	1. The Company's Articles of Association set the time limit for shareholders to submit proposals for inclusion in the agenda of the Annual General Meeting, which shall be no less than 60 days after the end of the relevant calendar year. 2. During the reporting period, the Company did not refuse to accept agenda proposals or candidates to the Company's governing bodies due to typing errors or other minor deficiencies in the shareholder's proposal.	☑ complied with ☐ partially complied with ☐ not complied with	

№	Corporate governance principles	Assessment criteria for corporate governance principle compliance	Compliance status with corporate governance principle	Explanation of deviations from criteria used to assess compliance with good corporate governance
1.1.5	Each shareholder was able to exercise their voting rights freely and in the easiest and most convenient way.	1. The Company's Articles of Association make provision for the possibility of filling in the electronic voting ballot form on the Company's website, the address of which is given in the notification of the General Meeting.	☑ complied with ☐ partially complied with ☐ not complied with	
1.1.6	The procedures established by the Company for holding a general meeting give all persons attending the General meeting an equal opportunity to express their views and ask questions that might be of interest to them.	1. During the reporting period, when General Meetings were held in the form of a meeting (joint presence of shareholders), sufficient time was allowed for reports on the items on the agenda and for discussion of these items, and shareholders were given the opportunity to express their opinions and ask questions relating to the items on the agenda. 2. The Company invited candidates to the governing and overseeing bodies of the Company and took all necessary steps to ensure their participation in the General Meeting of Shareholders, at which their nominations were put to a vote. 2. The Company invited candidates to the governing and overseeing bodies of the Company and took all necessary steps to ensure their participation in the General Meeting of Shareholders, at which their nominations were put to a vote. 3. The sole executive body, the person responsible for accounting and the Chairman or other members of the Audit Committee of the Board of Directors were available to answer questions from shareholders at the General Meetings held during the reporting period. 4. in the reporting period, the company used telecommunications facilities to provide remote access to shareholders to participate in general meetings, or the Board of Directors made a reasoned decision that there was no need (possibility) to use such facilities in the reporting period.	☑ complied with ☐ partially complied with ☐ not complied with	Criteria 1, 2, 3, 4: Pursuant to Article 2 of Federal Law No. 25-FZ of 25.02.2022, the general meetings of shareholders were held in 2023 in the form of absentee voting. Moreover, the shareholders had the opportunity to put questions to the candidates for the Company's governing and overseeing bodies, the members of the Board of Directors, the General Director, the Chief Accountant, the Chairman and members of the Audit Committee of the Company, during the preparation of the meeting and during the General Meeting, by sending them to the hotline or by e-mail to the addresses indicated on the Company's website.
1.2	**The shareholders have an equal and fair opportunity to participate in the profits of the Company through the payment of dividends**			
1.2.1	The Company developed and put in place a transparent and clear mechanism for determining the amount of dividends and their payment procedure.	1. The Company's Dividend Policy is approved by the Board of Directors and is published on the Company's website. 2. If the Company's dividend policy uses the Company's performance indicators from its accounting reports to determine the amount of dividends, the relevant provisions of the dividend policy take into account consolidated figures from the financial statements. 3. The justification for the proposed appropriation of net profit, including the payment of dividends and the company's own needs, and the assessment of its compliance with the dividend policy adopted by the company, with explanations and economic justification of the need to appropriate a certain portion of the net profit to the company's own needs in the reporting period, have been included in the materials for the General meeting of shareholders at which the agenda includes an item on the appropriation of profit (including the payment (declaration) of dividends).	☑ complied with ☐ partially complied with ☐ not complied with	
1.2.2	The Company does not make a decision to pay dividends if such decision, while formally compliant with the law, is not justified from an economic point of view and may lead to misrepresentation of the Company's performance.	1. The Company's Dividend Policy Regulation, in addition to the restrictions imposed by law, defines the financial/economic circumstances in which the Company should not decide to pay dividends.	☑ complied with ☐ partially complied with ☐ not complied with	
1.2.3	The Company avoids any deterioration in the dividend rights of its existing shareholders.	1. During the reporting period, the Company took no action that would result in a deterioration in the dividend rights of its existing shareholders.	☑ complied with ☐ partially complied with ☐ not complied with	
1.2.4	The Company endeavours to preclude any means by which its Shareholders may obtain any profit or gain at the expense of the Company other than dividends and distributions of its liquidation value.	1. During the reporting period, there were no other ways for the controlling person to obtain profit (income) at the expense of the Company other than dividends (e.g. through transfer pricing, unjustified provision of overpriced services to the Company by the controlling person, through internal loans substituting dividends to the controlling person and/or its controlled persons).	☑ complied with ☐ partially complied with ☐ not complied with	
1.3	**The system and practices of corporate governance ensure equal terms and conditions for all shareholders owning shares of the same class (category) in the company, including minority and foreign shareholders, and their equal treatment by the Company**			
1.3.1	The Company created conditions that enable its governing bodies and controlling persons to treat each shareholder fairly, in particular to prevent any abuse of minority shareholders by major shareholders.	1. During the reporting period, the controlling persons of the Company did not abuse their rights vis-à-vis the shareholders of the Company, there were no conflicts between the controlling persons of the Company and the shareholders of the Company and, if there were, the Board of Directors paid due consideration to them.	☑ complied with ☐ partially complied with ☐ not complied with	

№	Corporate governance principles	Assessment criteria for corporate governance principle compliance	Compliance status with corporate governance principle	Explanation of deviations from criteria used to assess compliance with good corporate governance
1.3.2	The Company does not take any action that will or could result in an artificial reallocation of corporate control.	There were no quasi-treasury shares, nor did they participate in voting in the reporting period.	☐ complied with ☑ partially complied with ☐ not complied with	The equity holding structure is such that 63% of voting shares are in free float of minority shareholders. The total quasi-treasury shares of the Company amount to 3% of voting shares, therefore voting of quasi-treasury shares does not influence the total voting. Candidates to the governing and overseeing bodies are elected by cumulative voting, which gives no advantage to any candidate. Given the above, the Company believes that it complies with the requirement not to take actions that results or may result in artificial redistribution of control.
1.4	**The shareholders are provided with reliable and efficient means of recording their rights in shares as well as with the opportunity to freely dispose of such shares in a non-onerous manner**			
1.4.1	The shareholders are provided with reliable and efficient means of recording their rights in shares as well as with the opportunity to freely dispose of such shares in a non-onerous manner.	The Company's Registrar's technologies and terms of services meet the needs of the Company and its shareholders, and ensure that the rights to shares are recorded and the rights of shareholders are realised in the most efficient way possible.	☑ complied with ☐ partially complied with ☐ not complied with	
2.1	**The Board of Directors is in charge of the strategic management of the company, determines the main principles and approaches for establishing a risk management and internal control system within the company, oversees the activities of the company's executive bodies and performs other key functions**			
2.1.1	The Board is responsible for making decisions on the appointment and dismissal of members of executive bodies, including those relating to their failure to perform their duties properly. The Board also ensures that the Company's executive bodies act in alignment with the approved development strategy and key business lines of the Company.	1. The Board of Directors is vested with the powers set out in the Articles of Association to appoint, dismiss and determine the terms and conditions of the contracts of the members of the executive bodies. 2. During the reporting period, the Nomination (Appointments, Human Resources) Committee[1] considered whether the professional qualifications, skills and experience of the members of the governing bodies meet the current and anticipated needs of the Company nominating committee as dictated by the approved strategy of the Company. 3. During the reporting period, the Board of Directors reviewed the report(s) of the sole executive body and the collegial executive body (if any) on the implementation of the company's strategy.	☑ complied with ☐ partially complied with ☐ not complied with	
2.1.2	The Board establishes the main guidelines and objectives for the Company's long-term business activities, evaluates and approves the Company's key performance indicators and main business goals, and evaluates and approves the Company's strategy and business plans for its core business activities.	1. During the reporting period, the Board of Directors dealt with matters relating to the implementation and updating of the strategy, the approval of the Company's financial and economic plan (budget), as well as the review of criteria and performance indicators (including interim ones) for the implementation of the Company's strategy and business plans.	☑ complied with ☐ partially complied with ☐ not complied with	
2.1.3	The Board of Directors defines the principles and approaches to setting up of the risk management and internal control system in the Company.	1. The principles of and approaches to the organizing of the risk management and internal control system in the Company are defined by the Board of Directors and set out in the Company's internal documents which determine the risk management and internal control policy. 2. During the reporting period, the Board of Directors approved (revised) an acceptable level of risk (risk appetite) of the Company, the Audit Committee and/or the Risk Committee (if any) considered whether it is advisable to submit the issue of revising the Company's risk appetite to the Board of Directors for consideration.	☐ complied with ☑ partially complied with ☐ not complied with	Criterion 2: In the reporting year, the Board of Directors and Audit Committee did not consider the risk appetite review. The Company plans to consider this issue in 2024-2025.
2.1.4	The Board of Directors determines the Company's policy on remuneration and/or expense reimbursement (compensations) of the members of the Board of Directors, members of the executive bodies and other key management personnel of the Company.	1. The company has developed and put in place the policy (policies) on remuneration due to and/or reimbursement of costs incurred by its board members, members of the executive bodies of the company and other key managers, which has been approved by the Board of Directors. 2. During the reporting period, the Board considered issues relating to the above policy(s).	☑ complied with ☐ partially complied with ☐ not complied with	
2.1.5	The Board of Directors plays a key role in preventing, identifying and resolving internal conflicts between the company's governing bodies, shareholders and employees.	1. The Board plays a key role in the prevention, identification and resolution of internal conflicts. 2. The Company has a system in place to identify transactions that may give rise to conflicts of interest and a set of measures to resolve such conflicts.	☑ complied with ☐ partially complied with ☐ not complied with	
2.1.6	The Board of Directors plays a key role in ensuring that the company is transparent, discloses information in full and in due time, and provides its shareholders with unhindered access to its documents.	1. There are designated persons in the Company who are responsible for implementing the information policy.	☑ complied with ☐ partially complied with ☐ not complied with	
2.1.7	The Board oversees the Company's corporate governance practices and plays a key role in the Company's major corporate events.	1. During the reporting period, the Board reviewed the results of the self-assessment and/or external evaluation of the Company's corporate governance practices.	☑ complied with ☐ partially complied with ☐ not complied with	

[1] Hereinafter referred to as the Nomination Committee.

№	Corporate governance principles	Assessment criteria for corporate governance principle compliance	Compliance status with corporate governance principle	Explanation of deviations from criteria used to assess compliance with good corporate governance
2.2	**The Board of Directors reports to the Company's shareholders**			
2.2.1	Information on the Board's work is disclosed and made available to the shareholders.	1. The Company's annual report for the reporting period includes information on each Board member's attendance at meetings of the Board of Directors and Committees. 2. The Annual Report contains information on the main results of the assessment (self-assessment) of the Board of Directors' performance quality in the reporting period.	☐ complied with ☑ partially complied with ☐ not complied with	Criterion 1: Pursuant to Decree of the RF Government No. 1102 dated 04.07.2023 and due to the introduction of restrictive measures by unfriendly countries against the Issuer and certain members of the Issuer's management bodies, the Company's 2023 annual report does not contain information on attendance of meetings of the Board of Directors and Committees by each of the Board members. It will be possible to include this information in the Company's annual reports after the geopolitical situation is regulated. Criterion 2 is met.
2.2.2	The Board Chairman is available for communications with the shareholders of companies.	1. The Company has a transparent procedure in place to ensure that shareholders can send enquiries to, and receive feedback from, the Chairman (and, where applicable, the Senior Independent Director).	☑ complied with ☐ partially complied with ☐ not complied with	
2.3	**The Board is an effective and professional governing body of the Company, capable of exercising objective and independent judgement and taking decisions in the best interests of the Company and its shareholders**			
2.3.1	Only persons who have an impeccable business and personal reputation and who have the knowledge, skills and experience necessary to make decisions within the Board's competence and are required to perform its duties effectively are elected as members of the Board of Directors.	1. Only persons of impeccable business and personal reputation who have the knowledge, skills and experience required to make decisions that fall within the competence of the Board and to perform its duties effectively shall be elected as Directors.	☑ complied with ☐ partially complied with ☐ not complied with	
2.3.2	The members of the Board of Directors of the Company are elected through a transparent process that allows shareholders to obtain sufficient information on the candidates to form an opinion on their personal and professional qualities.	1. At all Annual General Meetings held during the reporting period where the agenda included the election of the Board of Directors, the company provided its shareholders with biographical details of all candidates for the Board of Directors, the results of the evaluation of the candidates carried out by the Board of Directors (or its Nomination Committee) and information on whether the candidates meet the independence criteria pursuant to recommendations 102 - 107 of the Code, and the written consent of the candidates to be elected to the Board of Directors.	☐ complied with ☑ partially complied with ☐ not complied with	Criterion 1: Pursuant to Decree of the RF Government No. 351 dated 12.03.2023 and due to the introduction of restrictive measures by unfriendly countries against the Issuer and certain members of the Issuer's management bodies, the information stipulated in Clause 2.3.2 was not provided to the shareholders. It will be possible to provide shareholders with access to the above information after the geopolitical situation is regulated.
2.3.3	The composition of the Board of Directors is well balanced in terms of the qualifications of its members, their experience, knowledge and business acumen, and enjoy the confidence of shareholders.	1. During the reporting period, the Board assessed its own professional qualifications, experience and skills needs and identified the competencies required by the Board in the short and long term.	☑ complied with ☐ partially complied with ☐ not complied with	
2.3.4	The number of directors on the Board makes it possible to organize the activities of the Board in the most efficient way, including the possibility to form committees of the Board, and also ensures that the Company's significant minority shareholders can elect a candidate for whom they vote to the Board of Directors	1. During the reporting period, the Board reviewed whether the number of the Board members meets the needs of the company and the interests of the shareholders.	☑ complied with ☐ partially complied with ☐ not complied with	
2.4	**The Board of Directors consists of a sufficient number of independent directors**			
2.4.1	An independent director is a person who has sufficient expertise, skills and independence to form their own position and is able to make objective and bona fide judgements, independent of the influence of the company's executive bodies, any particular group of shareholders or any other interested party. It should be noted that a candidate (elected director) who is related to the company, its major shareholder, a major counterparty or a competitor of the company, or related to the state, cannot normally be considered independent.	1. During the reporting period, all independent members of the Board of Directors met all the independence criteria set out in recommendations 102-107 of the Code or were recognised as independent by a decision of the Board of Directors.	☑ complied with ☐ partially complied with ☐ not complied with	

№	Corporate governance principles	Assessment criteria for corporate governance principle compliance	Compliance status with corporate governance principle	Explanation of deviations from criteria used to assess compliance with good corporate governance
2.4.2	Candidates for the Board of Directors are assessed for compliance with the independence criteria, and the compliance of independent Board members with the independence criteria is reviewed on a regular basis. in such an assessment, content prevails over form	1. During the reporting period, the Board (or the Nomination Committee of the Board) formed an opinion on the independence of each nominated director to the Board and communicated that opinion to the shareholders. 2. During the reporting period, the Board of Directors (or the Nomination Committee of the Board of Directors) reviewed the independence of the current members of the Board of Directors at least once (after their election). 3. The Company has procedures that define the necessary actions to be taken by a member of the Board of Directors if they cease to be independent, including the obligation to inform the Board of Directors in a timely manner	☐ complied with ☑ partially complied with ☐ not complied with	Criterion 1: Pursuant to Decree of the RF Government No. 351 dated 12.03.2023 and due to the introduction of restrictive measures by unfriendly countries against the Issuer and certain members of the Issuer's management bodies, the opinion of the Board of Directors on the independence of each director nominee was not provided to the shareholders in 2023. It will be possible to provide shareholders with access to the above information after the geopolitical situation is regulated. Criteria 2 and 3 are met.
2.4.3	Independent directors make up at least one-third of the elected Board.	1. Independent directors make up at least one-third of the elected Board of Directors.	☐ complied with ☑ partially complied with ☐ not complied with	Criterion 1: The composition of the Board of Directors is based on the balance of interests of minority and majority shareholders, as well as the Company's own need for highly professional and efficient managers to participate in the Board of Directors. The Board of Directors members include three independent directors. The Company plans to increase the independent directors' number to one third of the Board of Directors by 2030.
2.4.4	Independent directors play a key role in preventing internal conflicts in the Company and taking significant corporate actions by the Company.	1. Independent Directors (who have no conflicts of interest) made a preliminary assessment of major corporate actions in relation to possible conflicts of interest during the reporting period and the results of such assessment were reported to the Board.	☑ complied with ☐ partially complied with ☐ not complied with	

№	Corporate governance principles	Assessment criteria for corporate governance principle compliance	Compliance status with corporate governance principle	Explanation of deviations from criteria used to assess compliance with good corporate governance
2.5	**The Board Chairman facilitates the most efficient performance of the functions assigned to the Board of Directors**			
2.5.1	An independent director was elected Chairman of the Board or a Senior Independent Director was appointed from among the elected independent directors to coordinate the work of the independent directors and to liaise with the Chairman of the Board.	1. The Chairman of the Board is an independent director or a senior independent director is designated from among the independent directors. 2. The role, rights and duties of the Chairman of the Board (and, where applicable, the Senior Independent Director) are duly defined in the Company's internal documents.	☐ complied with ☑ partially complied with ☐ not complied with	Criterion 1: The Chairman of the Board is a non-executive director elected unanimously by all members of the Board of Directors as the most authoritative member of the Board of Directors with high skills and knowledge, impeccable business and personal reputation and significant experience in senior leadership positions. Based on the position of the independent directors themselves, no senior independent director is currently designated. All the independent directors have equal rights to interact with the Chairman of the Board of Directors. In the next business year, following the election of a new Board of Directors by the Annual General Meeting following the results of 2023, the independent directors will be invited to elect a Senior Independent Director. The Company follows the principle of voluntariness of this approach. Criterion 2 is complied with.
2.5.2	The Chairman of the Board of Directors ensures a constructive work environment at the meetings, free discussion of the items on the agenda of the meeting, and control over the implementation of the decisions made by the Board of Directors.	1. The performance of the Chairman of the Board of Directors was assessed as part of the Board of Directors' performance evaluation (self-evaluation) during the reporting period.	☑ complied with ☐ partially complied with ☐ not complied with	
2.5.3	The Chairman of the Board of Directors takes the necessary steps to ensure that the members of the Board of Directors are provided in a timely manner with the information required to make decisions on the items on the agenda.	1. The duty of the Chairman of the Board of Directors to take steps to ensure that full and reliable information on the items on the agenda of the Board of Directors is made available to the members of the Board of Directors in a timely manner is set out in the internal documents of the Company.	☑ complied with ☐ partially complied with ☐ not complied with	

№	Corporate governance principles	Assessment criteria for corporate governance principle compliance	Compliance status with corporate governance principle	Explanation of deviations from criteria used to assess compliance with good corporate governance
2.6	**The members of the Board of Directors act bona fide in the interests of the Company and its shareholders on the basis of sufficient information, with due care and diligence**			
2.6.1	The members of the Board of Directors make decisions in the light of all available information, in the absence of conflicts of interest, with due regard to the equitable treatment of the Company's shareholders and within the limits of normal business risk.	1. The Company's internal documents stipulate that a member of the Board of Directors must inform the Board of Directors if they have a conflict of interest in relation to an item on the agenda of a meeting of the Board of Directors or of a Board committee before the start of the discussion of the relevant agenda item. 2. The Company's internal documents provide that a member of the Board of Directors should abstain from voting on any matter in which they have a conflict of interest. 3. The Company has a process in place to enable the Board to seek, at the Company's expense, professional advice on matters within its competence.	☑ complied with ☐ partially complied with ☐ not complied with	
2.6.2	The rights and duties of Board members are expressly stated and defined in the Company's internal documents.	1. The Company has adopted and published the internal document that clearly defines the rights and duties of the members of the Board of Directors.	☑ complied with ☐ partially complied with ☐ not complied with	
2.6.3	The Board members have sufficient time to perform their duties.	1. Individual attendance at Board and Committee meetings and sufficient time for the work of the Board and its Committees were reviewed as part of the self-assessment of the Board's performance during the reporting period. 2. Pursuant to the Company's internal documents, Directors shall inform the Board of their intention to become members of the governing bodies of entities other than those controlled by the Company, as well as of the fact of such appointment.	☑ complied with ☐ partially complied with ☐ not complied with	
2.6.4	All members of the Board of Directors have equal access to the Company's documents and information. Newly elected Directors are provided with sufficient information about the Company and the activities of the Board as soon as possible.	1. Under the Company's internal documents, the members of the Board of Directors have the right to obtain the information and documents necessary for the members of the Board of Directors to perform their duties in relation to the Company and its controlled entities, and the Company's executive bodies must make the relevant information and documents available. 2. The Company has a formal program of orientation for newly elected members of the Board of Directors.	☑ complied with ☐ partially complied with ☐ not complied with	

№	Corporate governance principles	Assessment criteria for corporate governance principle compliance	Compliance status with corporate governance principle	Explanation of deviations from criteria used to assess compliance with good corporate governance
2.7	**Meetings of the Board of Directors, preparations for meetings and participation of the Board members ensure the effective operation of the Board of Directors**			
2.7.1	The Board of Directors holds its meetings on an as-needed basis, with due regard to the scope of the Company's activities and the objectives of the Company at any given time.	1. The Board of Directors held at least six meetings during the year under review.	☑ complied with ☐ partially complied with ☐ not complied with	
2.7.2	The Company's internal documents set out the procedure for the preparation and conduct of meetings of the Board of Directors so that the members of the Board can be properly prepared for the meeting.	1. The Company adopted an internal document setting out the procedure for the preparation and holding of Board meetings, which stipulates, inter alia, that, in general, notice of a meeting should be given at least five days before the date of the meeting. 2. During the reporting period, members of the Board of Directors who were not present at the meetings were able to participate in the discussion of agenda items and voting remotely through conference calls and videoconferencing.	☑ complied with ☐ partially complied with ☐ not complied with	
2.7.3	The form of the Board meeting is determined according to the importance of the items on the agenda. The most important matters are resolved at meetings of the Board of Directors held by personal attendance.	1. The articles of association or an internal document of the company stipulate that the most important issues (including those listed in Recommendation 168 of the Code) must be dealt with at the meetings of the board of directors in the physical presence of its members.	☑ complied with ☐ partially complied with ☐ not complied with	
2.7.4	Decisions on the most important matters of the Company's business are made at a meeting of the Board of Directors by a qualified majority or by a majority of all the elected members of the Board of Directors.	1. The Company's Articles of Association provide that decisions on the most important matters, including those set out in Recommendation 170 of the Code, must be made at a meeting of the Board of Directors by a qualified majority of at least three-quarters (3/4) of the votes cast or by a majority of all the elected members of the Board of Directors.	☑ complied with ☐ partially complied with ☐ not complied with	

№	Corporate governance principles	Assessment criteria for corporate governance principle compliance	Compliance status with corporate governance principle	Explanation of deviations from criteria used to assess compliance with good corporate governance
2.8	**The Board of Directors forms Committees for preliminary consideration of the most important issues of the Company's business**			
2.8.1	For the purpose of preliminary consideration of any matters relating to control over the Company's financial and business activities, the Audit Committee is established and comprised of independent directors.	1. The Board of Directors has set up an Audit Committee consisting solely of independent directors. 2. The internal documents of the Company specify the objectives of the Audit Committee, including the objectives indicated in Recommendation 172 of the Code. 3. At least one member of the Audit Committee, who is an independent director, has sufficient experience and expertise in preparation, analysis, assessment and audit of accounting (financial) statements. 4. The Audit Committee held meetings at least once a quarter in the reporting period.	☐ complied with ☑ partially complied with ☐ not complied with	Criterion 1: The Board Audit Committee consists of three independent directors, one of whom has an experience and expertise in preparation, analysis, assessment and audit of accounting (financial) statements and is the Chairman of the Committee. Furthermore, the Board of Directors decided to increase the membership of the Committee by adding one non-executive director who has also experience and expertise in preparation, analysis, assessment and audit of accounting (financial) statements. The Board of Directors annually reviews the Committee membership. Compliance with recommendations of the Bank of Russia Code on the committee membership exclusively of independent directors will be possible upon the increased share of independent directors in the Board of Directors planned by the Company (See Clause 2.4.3 of this Report for clarification). Criterion 2: Regulations on the Audit Committee specify the Audit Committee objectives except for specific objectives indicated in Recommendation 172 of the Code. Based on the position of full compliance with corporate governance standards, the Company plans to introduce relevant amendments to the Regulations in 2024. Criterion 3, 4: are complied with
2.8.2	For the purpose of preliminary consideration of any matters relating to development of efficient and transparent remuneration practices, the Remuneration Committee is established, comprised of independent directors and chaired by an independent director who is not the Chairman of the Board of Directors.	1. The Board of Directors established the Remuneration Committee, which consists solely of independent directors. 2. The Remuneration Committee is chaired by an independent director who is not the Chairman of the Board of Directors. 3. The internal documents of the Company specify the objectives of the Remuneration Committee, including the objectives indicated in Recommendation 180 of the Code, as well as conditions (events), upon the occurrence of which the Remuneration Committee considers the issue of revising the Company's remuneration policy for the members of the Board of Directors, executive bodies and other key managers.	☑ complied with ☐ partially complied with ☐ not complied with	
2.8.3	For the purpose of preliminary consideration of any matters relating to human resources planning (succession planning), professional composition and efficiency of the Board of Directors, the Nomination (Appointments, Human resources) Committee is established with a majority of its members being independent directors.	1. The Board of Directors established the Nomination Committee (or its tasks indicated in Recommendation 186 of the Code are delegated to other Committee[1]), with a majority of its members being independent directors. 2. The internal documents of the Company specify the tasks of the Nomination Committee (or the relevant Committee with combined functions), including the tasks indicated in Recommendation 186 of the Code. 3. in order to form the Board of Directors that best meets the goals and objectives of the Company in the reporting period, the Nomination Committee, independently or jointly with other Committees of the Board of Directors or the authorized division of the Company for interaction with shareholders, organized interaction with shareholders, not limited to the largest shareholders, in the context of the selection of nominated director of the Board of Directors of the Company.	☐ complied with ☑ partially complied with ☐ not complied with	Criterion 1: The tasks of the Nomination Committee are combined with the functions of the HR and Remuneration Committee. Criterion 2: Is complied with Criterion 3: In the reporting period the HR and Remuneration Committee did not interact with minority shareholders when selecting candidates for the Board of Directors. At the same time, pursuant to applicable Russian law, nominations to the Board of Directors were accepted from all shareholders with more than 2% of the Company's voting shares.
2.8.4	Given the scale of activities and level of risk, the Board of Directors made sure that the membership of its Committees is fully in line with the corporate objectives of the Company. Either additional committees were formed, or they were deemed not necessary (Strategy Committee, Corporate Governance Committee, Ethics Committee, Risk Management Committee, Budget Committee, Committee on Health, Safety & Environment, etc.).	1. in the reporting period, the Board of Directors of the Company considered alignment of the Board structure with the scope, specifics, corporate objectives, needs and risk profile of the Company. Additional committees were either formed, or deemed not necessary.	☑ complied with ☐ partially complied with ☐ not complied with	

[1] The tasks of the Nomination Committee are implemented within the tasks of the HR and Remuneration Committee.

№	Corporate governance principles	Assessment criteria for corporate governance principle compliance	Compliance status with corporate governance principle	Explanation of deviations from criteria used to assess compliance with good corporate governance
2.8.5	The composition of the Committees is determined to allow for a comprehensive discussion of the issues under preliminary consideration with due account of differing opinions.	1. The Audit Committee, Remuneration Committee, Nomination Committee (or the corresponding committee with combined functions) were chaired by independent directors in the reporting period. 2. The internal documents (policies) of the Company have provisions according to which persons who are not members of the Audit Committee, the Nomination Committee (or the corresponding committee with combined functions) and the Remuneration Committee may attend meetings of the Committees only at the invitation of the chairman of the respective Committee.	☑ complied with ☐ partially complied with ☐ not complied with	
2.8.6	The Chairmen of the Committees report on the work of their Committees to the Board of Directors and its Chairman on a regular basis.	In the reporting period, Chairmen of the Committees regularly reported on the work of the Committees to the Board of Directors.	☑ complied with ☐ partially complied with ☐ not complied with	
2.9	**The Board of Directors provides for performance assessment of the Board of Directors, its Committees and the members of the Board of Directors**			
2.9.1	The Board of Directors' performance assessment is aimed at determining how effectively the Board of Directors, its Committees and members work and whether their work meets the Company development requirements, as well as at making their work more intensive and identifying areas of improvement.	1. The Company's internal documents define procedures for the assessment (self-assessment) of the Board of Directors performance. 2. The assessment (self-assessment) of the Board of Directors' performance conducted in the reporting period included assessment of the work of Committees, individual members of the Board of Directors and the Board of Directors as a whole. 3. The results of the Board of Directors' performance assessment (self-assessment) conducted in the reporting period were reviewed at the in-person meeting of the Board of Directors.	☑ complied with ☐ partially complied with ☐ not complied with	
2.9.2	The performance assessment (self-assessment) of the Board of Directors, Committees and Board members, is carried out on a regular basis, at least once a year. An external organisation (consultant) is engaged at least once every three years to carry out an independent assessment of the Board of Directors performance.	1. The Company engaged an external organisation (consultant) to carry out an independent assessment of the Board of Directors' performance at least once in the last three reporting periods.	☑ complied with ☐ partially complied with ☐ not complied with	

№	Corporate governance principles	Assessment criteria for corporate governance principle compliance	Compliance status with corporate governance principle	Explanation of deviations from criteria used to assess compliance with good corporate governance
3.1.	**The Company's Corporate Secretary ensures effective interaction with its shareholders, coordination of the Company's actions to protect the rights and interests of shareholders, and support of efficient work of its Board of Directors**			
3.1.1	The Corporate Secretary has the knowledge, experience, and qualifications sufficient to fulfill the duties assigned, as well as an impeccable reputation and enjoys the trust of the shareholders.	1. The Company's website and the Annual Report provide biographical information of the Corporate Secretary (including information on age, education, qualifications and experience), as well as information on executive positions held by the Corporate Secretary in other legal entities within at least the last five years.	☐ complied with ☑ partially complied with ☐ not complied with	Criterion 1: Pursuant to Decree of the RF Government No. 1102 dated 04.07.2023 and due to the introduction of restrictive measures by unfriendly countries against the Issuer, the information on the corporate secretary is not provided on the Company's website. It will be possible to place the above information on the Company's website after the geopolitical situation is regulated.
3.1.2	The Corporate Secretary is sufficiently independent of the Company's executive bodies and is vested with powers and resources required to perform their tasks.	1. The Company has adopted and published an internal document — the Regulations on the Corporate Secretary. 2. The Board of Directors approves the appointment and removal from office of the Corporate Secretary and considers the issue on their additional fee. 3. The Company's internal documents provide for the right of the Corporate Secretary to request and receive Company documents and information from governance bodies, structural divisions and officials of the Company.	☑ complied with ☐ partially complied with ☐ not complied with	
4.1	**The level of remuneration paid by the Company is adequate to enable it to attract, motivate and retain persons having required skills and qualifications. The remuneration due to the members of the Board of Directors, the executive bodies, and other key managers of the Company is paid in accordance with the remuneration policy approved by the Company**			
4.1.1	The level of remuneration paid by the Company to its Board members, executive bodies, and other key managers is adequate to motivate them to work efficiently and enables the Company to attract and retain knowledgeable, skilled, and duly qualified persons. At the same time the Company avoids setting the level of remuneration any higher than necessary, as well as an unreasonably large gap between the levels of remuneration of these persons and employees of the Company.	1. Remuneration of the members of the Board of Directors, the executive bodies and other key managers of the Company is determined considering the results of a comparative analysis of the remuneration level in comparable companies.	☑ complied with ☐ partially complied with ☐ not complied with	

№	Corporate governance principles	Assessment criteria for corporate governance principle compliance	Compliance status with corporate governance principle	Explanation of deviations from criteria used to assess compliance with good corporate governance
4.1.2	The Company's remuneration policy is developed by its Remuneration Committee and approved by the Board of Directors. The Remuneration Committee supported by the Board of Directors monitors implementation of and compliance with the remuneration policy by the Company and, if necessary, reviews and amends it.	1. in the reporting period, the Remuneration Committee reviewed the remuneration policy (policies) and/or implementation practices thereof, assessed the efficiency and transparency thereof and, where necessary, provided relevant recommendations to the Board of Directors on revising the specified policy (policies).	☑ complied with ☐ partially complied with ☐ not complied with	
4.1.3	The Company's remuneration policy provides for transparent mechanisms to be used to determine the amount of remuneration due to the members of the Board of Directors, the executive bodies, and other key managers of the Company, as well as regulates any and all types of payments, benefits, and privileges provided to the above persons.	1. The Company's remuneration policy (policies) contains transparent mechanisms for determining the amount of remuneration of the members of the Board of Directors, the executive bodies and other key managers of the Company, as well as regulates all types of payments, benefits and privileges granted to these persons.	☑ complied with ☐ partially complied with ☐ not complied with	
4.1.4	The Company determines a policy on reimbursement of expenses (compensation) which contains a list of reimbursable expenses and specifies service level provided to the members of the Board of Directors, executive bodies, and other key managers of the Company. Such policy may form part of the Company's remuneration policy.	The remuneration policy (policies) or other internal documents of the Company set out the rules for reimbursement of expenses to the members of the Board of Directors, the executive bodies, and other key managers of the Company.	☑ complied with ☐ partially complied with ☐ not complied with	
4.2	**The remuneration system of the Board members ensures harmonization of financial interests of Directors with long-term financial interests of shareholders**			
4.2.1	The Company pays fixed annual remuneration to the members of the Board of Directors. The Company does not pay remuneration for participation in certain Board meetings or Board Committees' meetings. The Company does not engage methods of short-term motivation and additional financial incentives towards the members of the Board of Directors.	1. in the reporting period, the Company paid remuneration to the members of the Board of Directors in accordance with the remuneration policy adopted by the Company. 2. in the reporting period, the Company did not apply forms of short-term motivation or additional financial incentives to the members of the Board of Directors, the payment of which depends on the Company's performance (indicators). The Company did not pay remuneration for participation in certain Board meetings or Board Committees' meetings.	☑ complied with ☐ partially complied with ☐ not complied with	
4.2.2	Long-term ownership of the Company's shares contributes most to aligning financial interests of the members of the Board of Directors with long-term interests of the shareholders. At the same time the Company does not make the right to dispose of shares dependent on the achievement by the Company of certain performance results; and the members of the Board of Directors do not take part in the option programs.	If the internal document (documents), namely, the remuneration policy (policies) of the Company, stipulates (stipulate) granting of the Company's shares to the members of the Board of Directors, clear rules for share ownership by the members of the Board of Directors aimed at encouraging long-term ownership of such shares must be provided and disclosed.	☐ complied with ☑ partially complied with ☐ not complied with	Criterion 1: The Company adopted internal documents regulating the remuneration policy based on the granting of the Company's shares. At the same time, these internal documents are not disclosed by the Company.
4.2.3	The Company does not provide for any additional allowance or compensation in the event of early resignation of the Board members due to change of control over the Company or other circumstances.	The Company does not provide for any additional allowance or compensation in the event of early resignation of the Board members due to change of control over the Company or other circumstances.	☑ complied with ☐ partially complied with ☐ not complied with	
4.3	**The system of remuneration due to the members of the executive bodies and other key managers of the Company provides for the dependence of remuneration on the Company's performance and their personal contribution to the achievement of this performance**			
4.3.1	Remuneration due to the members of the executive bodies and other key managers of the Company is determined in such a way as to procure a reasonable and justified ratio between its fixed part and its variable part that is dependent on the Company's performance and employee's personal (individual) contribution to the achievement thereof.	1. in the reporting period, annual performance indicators approved by the Board of Directors were used to determine the variable remuneration due to the members of the executive bodies and other key managers of the Company. 2. in the course of the latest assessment of remuneration system due to the members of the executive bodies and other key managers of the Company, the Board of Directors (the Remuneration Committee) assured that the Company applies effective ratio of fixed and variable parts of remuneration. 3. When determining the amount of remuneration paid to the members of the executive bodies and other key managers of the Company, the risks borne by the Company are considered in order to avoid creating incentives to make excessively risky management decisions.	☑ complied with ☐ partially complied with ☐ not complied with	

№	Corporate governance principles	Assessment criteria for corporate governance principle compliance	Compliance status with corporate governance principle	Explanation of deviations from criteria used to assess compliance with good corporate governance
4.3.2	The Company implemented a long-term incentive program for members of the Company's executive bodies and other key managers involving the Company's shares (or options or other derivative financial instruments, the underlying assets for which are the Company's shares).	1. If the Company implemented a long-term incentive program for the executive bodies' members and other key managers of the Company involving the Company's shares (or options or other derivative financial instruments, the underlying assets for which are the Company's shares), the program provides that the right to dispose such shares and other financial instruments is acquired no earlier than three years from the date when such shares were provided. At the same time, the right to dispose the same is conditioned by the achievement of certain targets by the Company.	☑ complied with ☐ partially complied with ☐ not complied with	
4.3.3	The amount of severance pay (the so-called "golden parachute") payable by the Company in the event of early dismissal of the executive body members or other key manager at the initiative of the Company, provided that there have been no bad faith actions on the part of such person, does not exceed two times the fixed part of their annual remuneration.	1. The amount of severance pay (the so-called "golden parachute") payable by the Company in the event of early dismissal of the executive body members or other key manager at the initiative of the Company, provided that there have been no bad faith actions on the part of such person, did not exceed two times the fixed part of their annual remuneration.	☑ complied with ☐ partially complied with ☐ not complied with	
5.1	**The Company has in place an efficient risk management and internal control system designed to provide reasonable assurance of achieving the Company's goals**			
5.1.1	The Board of Directors determined the principles and approaches to creation of the risk management and internal controls system in the Company.	1. The functions of different governance bodies and divisions of the Company in the risk management and internal control system are clearly defined in the internal documents/relevant policies of the Company, approved by the Board of Directors.	☑ complied with ☐ partially complied with ☐ not complied with	
5.1.2	The executive bodies of the Company ensure the establishment and continuing operation of the efficient risk management and internal control system in the Company.	1. The executive bodies of the Company ensured the distribution of duties, powers and responsibilities in respect of risk management and internal control among the managers (heads) of divisions and departments accountable to them.	☑ complied with ☐ partially complied with ☐ not complied with	
5.1.3	The Company's risk management and internal control system enables one to obtain an objective, fair and clear view of the current status and prospects of the Company, integrity and transparency of its accounts and reports, and reasonableness and acceptability of risks being assumed by the Company.	1. The Company has an approved anticorruption policy. 2. The Company has in place a safe, confidential and easy-to-access method (hotline) for reporting to the Board of Directors or the Audit Committee of the Board of Directors on any breaches of legislation, internal procedures and the ethics code of the Company.	☑ complied with ☐ partially complied with ☐ not complied with	
5.1.4	The Company's Board of Directors takes required and sufficient measures to procure that the existing risk management and internal control system of the Company is consistent with the principles of and approaches to its creation as set forth by the Board of Directors and that it operates efficiently.	1. in the reporting period, the Board of Directors (Audit Committee and/or Risk Committee (if any)) conducted the assessment of the risk management and internal control system. 2. in the reporting period, the Board of Directors reviewed the results of the risk management and internal control system reliability and efficiency assessment and information on the results of the review was included in the Annual Report of the Company.	☑ complied with ☐ partially complied with ☐ not complied with	
5.2	**For the purposes of regular independent assessment of reliability and efficiency of the risk management and internal control system, as well as corporate governance practices, the Company arranges for internal audit**			
5.2.1	The Company has a separate structural division or engaged an independent third-party entity to carry out internal audit. The Internal Audit Department has separate lines of functional and administrative reporting. Functionally, the Internal Audit Department is accountable to the Board of Directors.	For the purposes of internal audit, the Company created a separate structural division (Internal Audit Department), which is functionally accountable to the Board of Directors or the Audit Committee, or engaged an independent third-party entity with the same accountability principle.	☑ complied with ☐ partially complied with ☐ not complied with	
5.2.2	The Internal Audit Department assesses the efficiency of the internal control and risk management system, and assesses the corporate governance. The Company applies generally accepted standards of internal audit.	1. in the reporting period, the efficiency of the internal control and risk management system was assessed as part of the internal audit. 2. in the reporting period, the practice (individual practices) of corporate governance, including procedures for the exchange of information (inter alia, on internal control and risk management) at all levels of the Company's management, as well as interaction with stakeholders, was assessed as part of the internal audit.	☑ complied with ☐ partially complied with ☐ not complied with	
6.1	**The Company and its operations are transparent to shareholders, investors and other stakeholders**			
6.1.1	The Company has developed and implemented an information policy ensuring efficient information exchange between the Company, shareholders, investors and other stakeholders.	1. The Company's Board of Directors has adopted the Company's information policy aligned with the recommendations of the Code. 2. in the reporting period, the Board of Directors (or one of its committees) considered the efficiency of information exchange between the Company, shareholders, investors and other stakeholders and the expediency (necessity) of revising the Company's information policy.	☐ complied with ☑ partially complied with ☐ not complied with	Criterion 1 is met. Criterion 2: Since the Board of Directors approved the Sustainable Development & Stakeholder Engagement Policy of PJSC TATNEFT named after V.D. Shashin in May 2022, and a new version of the Company's Information Policy was adopted in September 2022, there was no need for the Company to review the efficiency of information interaction and revise the Information Policy in 2023. The above issues are planned to be reviewed in 2024.

№	Corporate governance principles	Assessment criteria for corporate governance principle compliance	Compliance status with corporate governance principle	Explanation of deviations from criteria used to assess compliance with good corporate governance
6.1.2	The Company discloses information on its corporate governance system and practices, including detailed information on compliance with the principles and recommendations of the Code.	1. The Company discloses information on the Company's corporate governance system and the general principles of the corporate governance applied in the Company, including the information disclosed on the Company's Internet website. 2. The Company discloses information on membership of the executive bodies and the Board of Directors, independence of the members of the Board and their membership in the Board's Committees (as defined in the Code). 3. in the event there is a person controlling the Company, the Company publishes a memorandum of the controlling person regarding the plans of such person in respect of the corporate governance in the Company.	☐ complied with ☑ partially complied with ☐ not complied with	Criterion 1 is met. Criterion 2: Pursuant to Decree of the Government of the Russian Federation No. 1102 dated 04.07.2023 and due to the introduction of restrictive measures by unfriendly countries against the Issuer, as well as certain members of the Issuer's management bodies, the information stipulated by Criterion 2 of Clause 6.1.2 was not disclosed by the Company in 2023. The Company will be able to disclose this information after the geopolitical situation is regulated. Criterion 3 is met: The Company has no controlling person.
6.2	**The Company discloses, in a timely manner, full, updated and reliable information about itself so as to enable its shareholders and investors to make informed decisions**			
6.2.1	The Company discloses information in accordance with the principles of regularity, consistency and timeliness, as well as accessibility, reliability, completeness and comparability of disclosed data.	1. The Company has defined a procedure that ensures coordination of the work of all structural divisions and employees of the Company, related to the disclosure of information or engaged in activities that may lead to the need to disclose information. 2. in the event that the Company's securities are traded in foreign organized markets, the disclosure of material information in the Russian Federation and in such markets is carried out synchronously and is the same during the reporting year. 3. If foreign shareholders hold a significant number of Company's shares, then information disclosed during the reporting year was not only in Russian, but also in one of the most common foreign languages.	☑ complied with ☐ partially complied with ☐ not complied with	
6.2.2	The Company avoids a formalistic approach to information disclosure and discloses material information on its activities, even if the disclosure of such information is not required by law.	1. The Company's information policy defines approaches to the disclosure of information on other events (actions) that have a material impact on the value or quotations of its securities, which data disclosure is not provided for by law. 2. The Company discloses information regarding the Company's capital structure in compliance with Recommendation 290 of the Code in the Annual Report and on the Company's website. 3. The Company discloses information on controlled entities that are of significant importance to it, including their principal activities, the mechanisms ensuring accountability of controlled entities, the powers of the Board of Directors of the Company with respect to determining the strategy and assessing the performance of controlled entities. 4. The Company publishes a nonfinancial report, including the sustainability report, environmental report, corporate social responsibility report or other report containing non-financial information, including factors related to the environment (in particular, ecology factors and climate-change-related factors), the Company (social factors) and corporate governance, with the exception of the equity securities issuer's report and the annual report of the Company.	☐ complied with ☑ partially complied with ☐ not complied with	Criterion 1, 2, 4: complied with Criterion 3: Pursuant to Decree of the Government of the Russian Federation No. 1102 dated 04.07.2023 and due to the introduction of restrictive measures by unfriendly countries against the Issuer and certain controlled entities of material importance for the Issuer, the Company did not disclose the information provided for by Criterion 3 of Clause 6.2.2 in 2023. The Company will be able to disclose this information after the geopolitical situation is regulated.
6.2.3	The Annual Report, as one of the most important tools of information exchange with the shareholders and other stakeholders, contains the information enabling one to assess the Company's performance for the year.	1. The Company's Annual Report contains information on the results of the Audit Committee's assessment of the external and internal audit process efficiency. 2. The Company's Annual Report contains information on the Company's environmental policy and social policy.	☑ complied with ☐ partially complied with ☐ not complied with	
6.3	**The Company provides information and documents requested by its shareholders in accordance with the principle of equal and unhindered accessibility**			
6.3.1	The shareholders can exercise their right of access to the Company's documents and information without needless complexity.	1. The Company's information policy (internal documents defining the information policy) defines a procedure for providing unhindered access to information and documents of the Company at the request of shareholders. 2. The information policy (internal documents defining the information policy) contains provisions stipulating that if a shareholder files a request to provide information on organizations controlled by the Company, the Company makes the necessary efforts to obtain such information from the relevant entities controlled by the Company.	☑ complied with ☐ partially complied with ☐ not complied with	

№	Corporate governance principles	Assessment criteria for corporate governance principle compliance	Compliance status with corporate governance principle	Explanation of deviations from criteria used to assess compliance with good corporate governance
6.3.2	When providing information to shareholders, the Company maintains a reasonable balance between the interests of individual shareholders and its own interests related to the fact that the Company is interested in keeping confidential sensitive business information that might have a material impact on its competitiveness.	1. in the reporting period, the Company did not refuse to satisfy shareholders' requests for information, or such refusals were justified. 2. in cases determined by the Company's information policy, shareholders are cautioned about the confidential nature of the information and undertake to keep it confidential.	☑ complied with ☐ partially complied with ☐ not complied with	
7.1	**Any actions, which affect or may materially affect the Company's share capital structure and financial position of the Company and, accordingly, the position of its shareholders ("material corporate actions") are taken on fair terms and conditions ensuring that the rights and interests of the shareholders as well as other stakeholders are observed**			
7.1.1	Material corporate actions are deemed to include reorganization of the Company, acquisition of 30 or more percent of its voting shares (takeover), entering by the Company into any material transactions, increasing or decreasing its share capital, listing and delisting of its shares, as well as other actions which may result in material changes in rights of its shareholders or infringement of their interests. The Company's Articles of Association provide for a list of (criteria for identifying) transactions or other actions falling within the category of material corporate actions and provide therein that such actions fall within the jurisdiction of the Company's Board of Directors.	1. The Company's Articles of Association provide for a list of (criteria for identifying) transactions or other actions falling within the category of material corporate actions. Pursuant to the Articles of Association, Decisions on material corporate actions fall within the jurisdiction of the Company's Board of Directors. Where these corporate actions are expressly reserved by law for the competence of the General Meeting of Shareholders, the Board of Directors makes appropriate recommendations to the shareholders.	☑ complied with ☐ partially complied with ☐ not complied with	
7.1.2	The Board of Directors plays a key role in making decisions or providing recommendations relating to material corporate actions. The Board of Directors relies on opinions of the Company's independent directors.	1. The Company has a procedure for independent directors to state their opinion on material corporate actions prior to their approval.	☑ complied with ☐ partially complied with ☐ not complied with	
7.1.3	When taking any material corporate actions which affect rights and legitimate interests of the Company's shareholders, equal terms and conditions are ensured for all of the shareholders; if statutory mechanisms designed to protect the shareholder rights prove to be insufficient for that purpose, additional measures are taken to protect the rights and legitimate interests of the Company's shareholders. in such cases the Company seeks not only to comply with the formal requirements of law but also is guided by the principles of corporate governance set out in the Code.	1. The Company's Articles of Association, taking into account the peculiarities of the Company's activities, include the approval of other transactions that are material to the Company in addition to those stipulated by law in the competence of the Board of Directors. 2. in the reporting period, all material corporate actions were subject to approval prior to their implementation.	☑ complied with ☐ partially complied with ☐ not complied with	
7.2	**The Company ensures such a procedure for taking material corporate actions that enables its shareholders to receive full information on such actions in a timely manner, provides them with the opportunity to influence such actions and guarantees the observance and adequate level of protection of their rights when taking such actions**			
7.2.1	The information on material corporate actions is disclosed with an explanation of reasons, conditions and consequences of such actions.	1. If the Company took any material corporate actions during the reporting period, the Company disclosed information on such actions in a timely and detailed manner, including the reasons, conditions and consequences of such actions for shareholders.	☑ complied with ☐ partially complied with ☐ not complied with	
7.2.2	Rules and procedures in relation to material corporate actions taken by the Company are set out in its internal documents.	1. The internal documents of the Company provide for a procedure for engaging an independent appraiser to determine the value of property disposed or acquired pursuant to a major transaction or a non-arm's length transaction. 2. The internal documents of the Company provide for a procedure for engaging an appraiser to evaluate the cost of acquisition and buyback of the Company's shares. 3. in the absence of a formal interest of a member of the Board of Directors, the sole executive body, a member of the Collegial Executive Body of the Company or a controlling person of the Company, or a person entitled to give binding instructions to the Company, with respect to the Company's transactions, but in the presence of a conflict of interest or other actual interest, the internal documents of the Company provide that such a person does not vote on approval of such a transaction.	☐ complied with ☑ partially complied with ☐ not complied with	Criterion 1,2: The Company's internal documents contain general principles for engaging an appraiser to determine the value of property disposed of or acquired pursuant to a major transaction or a non-arm's length transaction, and in cases of acquisition and buyback of the Company's shares. At the same time, the Company's internal documents do not contain a list of cases and the procedure for engaging an appraiser in these cases, due to the fact that, in the Company's corporate practice, to date, no such actions have been taken, except in relation to the non-arm's length transactions. The Company engages an appraiser for the non-arm's length transactions in the cases and in accordance with the procedure prescribed by the applicable laws of the Russian Federation. Amendments to the Company's internal documents governing the engagement of an appraiser in the above cases will be made if such needs arise. Criterion 3: is complied with

KEY RISKS

APPENDIX 2

The Company monitors market trends and external environment on a regular basis and with due regard to key risks and opportunities for managing its asset portfolio and updating its Development Strategy. Particular focus is placed on factors that can have a significant impact on access to resources, markets, services, equipment, technologies, skilled personnel, etc. It also pays respect to global social and economic processes, the epidemiological situation, energy transition trends, promotion of the low-carbon agenda, the geopolitical situation (including sanctions), world trade conditions, agreements between OPEC countries and other oil producers aimed at maintaining the balance in the global oil market, foreign policy, government regulation, infrastructure, etc., which can influence achievement of the TATNEFT Group strategic goals and the Group's future profile.

Risk	Description	Risk management	Indicator
Macroeconomic risks	Cause: Deterioration of macroeconomic conditions caused by a decrease in the growth rate of the global economy and the risk of a recession, inflation processes, tightening of monetary policy, an increase in the tax burden, unstable conditions in world energy prices, and exchange rate fluctuations Effects: Negative impact on the financial and economic performance of the Company.	In order to mitigate the adverse impact of the identified risks on business, the Company is implementing various measures, including signing long-term contracts for the purchase of materials and components; constant monitoring and forecasting of prices for key material and technical resources; search for alternative suppliers; working with federal executive authorities on undue increase in supplier prices; optimization of production and logistics costs; search for alternative, more marginal sales channels and development of vertical integration (retail distribution network, fuel and filling facilities, further redistribution). In addition, as part of forecasting macroeconomic parameters, updating the Strategy and planning the financial and economic activities of the Company, the Company employs the scenario approach, which makes it possible to determine the assets and investment projects that are most sensitive to deterioration in macroeconomic conditions, and also provides flexibility in making tactical and strategic management decisions in changing conditions. The Company's strategy is built in three scenarios: base (characterizes the most likely, from the point of view of the Company's management, development of the macroeconomic situation), high oil prices, climate (in accordance with international recommendations, TCFD assumes maintaining the increase in global average temperature below 1.5°C above pre-industrial levels)	Category: long-term risk Level: medium
Strategic risks	Cause: The geopolitical situation, world trade conditions, macroeconomics and a change in the world energy markets, agreements between OPEC countries and other oil producers, energy transition trends, climatic, legal and tax regulation, technology boom, changes in the labor market, etc. have a significant impact on the Company's business. Effects: Achievement of the strategic goals under the Company's Development Strategy largely depends on the external environment.	The Company implements the Development Strategy until 2030, which is based on a detailed analysis of the combination of all key factors, which may impact the Company's development and achievement of the targets. Decisions of the Company's management related to the strategic and current planning and operational activities are made on the grounds of all available information related to possible development scenarios and tend to consider all reasonably foreseeable variations and assumptions used in such planning. In order to reduce the risks associated with the energy transition, the internal price for greenhouse gas emissions is taken into account when evaluating investment projects. The Company has a high-quality asset structure and a high-tech base that it is improving continuously in accordance with production goals, including the development of import-substituting technologies and equipment. The Company implements a policy of vertical integration and diversification, which allows us to significantly reduce (eliminate) strategic risks by redistributing resources and commodity flows and realize the potential of new market niches by upgrading existing products/creating value-added products.	Category: long-term risk Level: medium

Risk	Description	Risk management	Indicator
Failure to achieve the Sustainable Development Goals	Cause: The lack of, or failure to promptly update sustainable development goals (ESG and UN SDG), lack of resources and processes necessary to achieve these goals, or inefficiency of new technologies. Effects: Damage to the Company's business reputation, increased loan rates, limited access to borrowed funds and human resources, or zero ROI for investment in new low-carbon technologies.	The Company takes active effort to enable ESG transformation; as a result, it approved and prioritized sustainable development goals, created a vertical system for managing sustainable development aspects and update the Strategy 2030 to include a section regarding climate change management and pay regard to carbon footprint reduction. In order to involve the Company's businesses in achieving sustainable development goals, the Company has built an ESG roadmap and a framework for regular monitoring the SDG status and assessing the adequacy of related measures. The Company's contribution to restructuring the sustainable development management system made it possible for the Company to significantly improve its environmental and climatic ratings and become a pacesetter in environmental impact management.	Category: long-term risk Level: medium
Climate change risks	Cause: Tightened regulation in light of climate change and its physical consequences. Effects: Lower revenues, cost growth, decreasing profitability, lower business effectiveness and finance restrictions.	The Company shares the world concern for climate change, consistently and comprehensively adheres to climate/ GHG reduction initiatives and plays a role in the discussion and implementation of measures to regulate greenhouse gas emissions both nationally and internationally.	Category: long-term risk Level: high.
CLIMATE RISKS			
Lower demand for oil and oil products (and products with carbon intensity higher than that of peer/substitute products)	Cause: More stringent climate requirements of stakeholders, a shift of consumer preferences towards products with a lower carbon footprint. Effects: Change in the Company's structure/ decrease in revenues	The current TATNEFT Group Strategy 2030 is based on projected oil prices, including three scenarios (baseline, high price and low price scenarios). The main growth points for the Company's value in accordance with the Strategy 2030 are business diversification by increasing the production of competitive products that meets the most stringent environmental standards and tightened monitoring of the carbon footprint.	Category: long-term risk Level: high
Setting quotas for Greenhouse Gas (GHG) Emissions	Cause: Tightened regulation in light of climate change and its physical consequences. An enhanced international/national GHG regulatory framework Effects: Fees for exceeding the permissible GHG quotas.	The Company pays special attention to existing regulations and bills both in the Russian Federation and abroad; assessment of the potential impact of carbon regulation on the part of consumer countries, as well as the development of carbon regulation in the Russian Federation are of the utmost importance. To reduce this risk, the Company sets goals to reduce its carbon footprint and achieve carbon neutrality by 2050; to this end, it is implementing a program for reducing greenhouse gas emissions. Since 2021, when evaluating investment projects, it has taken into account potential CO2 emissions (Scope 1, 2 and 3) in order to minimize the impact of new projects on the Company's carbon footprint, with the internal carbon price used to calculate potential financial impact.	Category: long-term risk. Level: high.
Failure to comply with GHG reporting requirements of regulatory authorities.	Cause: new requirements for regular GHG reporting. Effect: fines for legal entities and officials for failure to provide data, or provision of inaccurate data.	In order to minimize risks of failure to provide or provide unreliable GHG data, the Company has improved its GHG accounting system and has automated related calculations, with internal monitoring and calculation checks as a key solution. The Company regularly verifies GHG calculations with the involvement of ISO 14064 certified auditors who have expertise in certification of non-financial information.	Category: short-term risk. Level: low.
Worsening reputation because of environmental impacts	Cause: Increased attention of the society, investors and rating/ credit agencies to the long-term ESG sustainability of companies (potential refusal of investment in the oil industry). Effects: Lower capitalization, increased loan rates, limited access to borrowed funds and human resources.	The Company is committed to promoting a constant, open and transparent dialogue on ESG issues. The Company is taking great effort to promote sustainable development goals in the regions where it operates. It publishes its ESG indicators on a quarterly basis in order to increase investment attractiveness and improve its positions in ESG rankings based on timely and complete disclosure. Information on climate-related activities is disclosed annually in the CDP questionnaire and in the Climate and Sustainable Energy Future section on the Company's website.	Category: long-term risk. Level: high.
Failure to implement projects to reduce emissions/failure to achieve GHG reduction targets.	Cause: Ban of supplies to the Russian Federation Effects: Higher costs of foreign equipment/technology, logistics challenges.	Constant search for import substitution options and similar domestic products. In-house production of equipment.	Category: short-term risk. Level: high.

Risk	Description	Risk management	Indicator
Zero ROI for investment in new low-carbon technologies	Cause: Changes in external and internal conditions for the implementation of projects to reduce greenhouse gases emissions. Effects: Misspending of the Company's funds.	Innovative technological risks are a pressing issue for the Company, especially in the long run (Scenario 2030, Carbon Neutrality by 2050). To reduce these risks, the Company monitors technology, that is, the state, evolution and capacity of existing and emerging technologies, engages in R&D and invests in hi-tech startups that contribute to rapid development of green technologies.	Category: long-term risk Level: medium
Natural risk.	Cause: Changing weather conditions in the region. Effects: Increasing operational costs for technological processes and OHS.	The Company's assets are mainly concentrated in the Volga Region, Russia, which has recently been exposed to extreme weather phenomena, such as hurricanes, droughts, and ice rains. The latter are the most dangerous in terms of doing business as they can suspend operations due to damage to infrastructure (e.g., broken power lines). The financial aspect of this risk is associated with recovery costs and losses caused by suspended business activity.	Category: mid-term risk. Level: medium.
Geographical risks	Cause: Climate change in the region. Effects: Disrupted production processes and logistics operations, in addition to compromised infrastructure.	The Company's production assets are mainly concentrated in the moderate-continental mid-latitude climate. The Company's physical assets and regional infrastructure are designed and built with due regard to significant temperature/wind changes and precipitation, which makes them quite resistant in terms of physical risks associated with climate changes. The Company largely depends on transport infrastructure operated by third parties to deliver its products to customers, it does not expect any significant disruptions of transport infrastructure associated with climatic risks, though. Nevertheless, the Company has enough assets to ensure temporary shortage of its finished products, thus mitigating logistics risks.	Category: long-term risk Level: medium

Risk	Description	Risk management	Indicator
REGULATORY RISKS			
Country-specific and geopolitical risks	Cause: Several international, commercial, non-governmental organizations publish their country ratings based on the level of risks, including political ones. In such ratings, the Russian Federation may be classified as an increased-risk country, which investors shall take into account when investing in the country's economy and securities of Russian issuers. Effects: The Company is incorporated and has many assets in the Russian Federation; that is why its investment rating may be limited by the country-specific ratings calculated by international, commercial and non-governmental organizations.	The Company adheres to the opinion that the situation in the region where the Group runs its core business and where its key assets are located is generally stable. The Group's main assets are located in the Russian Federation. The Company takes into account foreign policy risks in its strategic planning and operational management.	Category: long-term risk. Level: medium.
Sanctions risks	Cause: The United States, the European Union, and several other countries have consistently imposed sanctions on the Russian Federation, including sectoral sanctions affecting the activities of individual companies operating in the energy and other sectors of the Russian economy. Effects: Changes in the business structure, lower revenues, increased costs of foreign equipment and technologies, logistics challenges.	In its activities, the Company takes into account and monitors the existing sanctions to minimize the adverse effects and consequences (considering the potential expansion of sanctions, i.e., various initiatives in the United States and other countries to strengthen the sanctions against the Russian Federation), which might have a selective impact on the Company's highly promising projects. To reduce the risks related to the availability of technologies and equipment subject to sanctions, the Company carries out the consistent implementation of the program of import substitution and development of domestic technologies with the localization of equipment production in the Russian Federation and the engagement of advanced industry research centers..	Category: long-term risk. Level: high.
Litigation risks	Cause: Potential failure to fulfill contractual obligations by the Company or its subsidiary, or by counterparties of the TATNEFT Group. Effects: The Company may be involved as a defendant or plaintiff in multiple legal proceedings that arise in the ordinary course of business.	In carrying out financial and economic activities, the Company adheres to the principle of prudence. As of the date of approval hereof, the Company was not involved in any litigation, which, when ruled upon, might adversely affect its financial standing. The Company is a party to legal proceedings arising in the ordinary course of business. Currently, the outcome of these proceedings cannot be determined. Based on the available information, the management believes that there is a low risk that future costs associated with known potential liabilities would have a material adverse effect on the Company's financial performance or financial standing.	Category: long-term risk. Level: low.

Risk	Description	Risk management	Indicator
Reputation risk	Cause: Publication of inaccurate or discrediting information or charges, leaks of confidential information, or ethical violations by the Company's employees. Effects: Damage to the Company's business reputation resulting in the distortion of consumer ideas about the Company's activities, products and services, which would affect sales and profitability in the relevant business segment.	The Company attaches special importance to maintaining its business reputation and leveling risks with negative reputational consequences. To prevent and minimize the adverse effect of the reputational risk on the Company's business, all activities are subject to corporate governance requirements. To manage reputational risk, the Company implements a balanced information policy, including measures to protect and promote the values, brand and interests of the TATNEFT Group in public space and response to events threatening its business reputation.	Category: long-term risk. Level: low.
Risks of changes in legislation and regulatory framework	Cause: There may be changes in tax, currency, customs or mineral resource laws, including rules for allotting land plots, subject to licensing. Effects: Business effectiveness and profitability largely depend on excise/tax rates and retention licenses.	The Company carries out its activities in accordance with applicable laws, runs ongoing monitoring of laws and law enforcement practices, contributes to elaborating bills or other regulations in the fuel and energy industry and also is committed to a constructive dialogue with regulators in respect of legal interpretation. The Company pays respect to the law enforcement practice in courts in order to evaluate and predict possible scenarios and minimize potential impacts on its business.	Category: long-term risk. Level: low.
FINANCIAL RISKS			
Investment risks	Cause: Changes in external and internal conditions for the implementation of projects, which can cause a deviation of actual ROI from expected ROI. Effect: potential partial or complete loss of own investment, misspending of the Company's funds.	The Company takes continuous effort to identify, analyze and evaluate investment risks and takes steps to minimize the same, so that its project could reach a sustainable financial performance. Multifactor risk assessment is based on expert and statistical assessment of the most significant risks. Risk assessment and multivariate modeling of the investment project performance is carried out taking into account the correlation factors of inputs.	Category: mid-term risk. Level: medium.
Interest rate risks	Cause: Worsening macroeconomic conditions and rising interest rates may affect interest expenses. Effects: A change in interest rates may affect the Company in respect of loans.	Should the Company receive floating-rate bank loans, it will hedge the risk. The ratio of fixed and floating rate loans is monitored and managed on an ongoing basis to minimize the risk of changes in interest rates.	Category: mid-term risk. Level: low.
Currency risks	Cause: Changes in the macroeconomic situation directly affect foreign exchange rates. The Government can exert currency control to limit operations in foreign currencies or require ruble payments for financial obligations in foreign currencies. Effects: Effectiveness of the Company's business is subject to risks of adverse changes in foreign exchange rates.	The Company's income from selling oil and oil products is diversified and is both in foreign currencies and in Russian rubles, which reduces implications of a possible change in foreign exchange rates. The Company seeks to use debt financing in the context of currencies in line with the revenue currency components. If necessary, it can hedge its currency positions either partially or completely.	Category: long-term risk. Level: medium.
Risks associated with the Company's stock trading	Cause: The Company's securities and their derivatives are traded on the securities market in Russia and abroad. Changes in the requirements for issuers from regulatory authorities and stock exchanges may force the Company to modify its corporate governance procedures and assume additional obligations in the field of information disclosure and interaction with shareholders. Effects: As a result of failure to comply with obligations, the Company's securities can be down-listed or delisted, which can negatively affect the liquidity and cost of such securities.	The Company monitors changes in listing rules and other requirements of regulatory bodies and stock exchanges and takes all necessary actions to prevent a negative impact on the liquidity of the Company's securities. The Company's representatives participate in working meetings and other issuers' events held by the Bank of Russia, stock exchanges and other organizations that provide advisory and educational services for issuers. The Company also makes all possible efforts to implement the best international practices in the field of corporate governance.	Category: long-term risk. Level: medium.
PRODUCTION RISKS			
Risk of decline in prices and demand for oil and petroleum products	Cause: A slowdown in global economic growth, an aggravation of the geopolitical situation and the complication of global trade conditions, an acceleration of the energy transition due to the strengthening of the environmental agenda, and a shift in consumer preferences towards products with a lower carbon footprint. Effects: Business efficiency and profitability largely depend on prices and demand for oil and oil products.	In order to reduce the adverse impact of risk on the business and ensure its long-term sustainability, the Company is diversifying its activities, increasing the share of the non-fuel segment in the portfolio, including petrochemicals, composite materials, and biotechnologies. The Company is looking for opportunities to process products exposed to this risk into higher (marginal) stages, as well as opportunities to use renewable and recycled raw materials. The Company has the internal potential to redistribute commodity flows in case of a significant difference in price between domestic and international markets, demand for crude oil and petroleum products, and the ability to reduce or rebalance capital and operating costs to fulfill its obligations in case of a slump in prices of oil, gas, and petroleum products.	Category: long-term risk. Level: medium.
Technical and technological risks	Cause: Exploring, developing and equipping new fields, producing, transporting and processing oil and gas is a complicated (technologically) and expensive process. Effects: Business performance largely depends on the most productive and available high-tech technologies.	The Company pays special attention to development and application of cutting-edge technologies in all lines of its business, engages in in-house R&D and cooperates with advanced industry research centers. The Company is actively developing IT infrastructure powered by the single new-gen information platform of production management, which integrates information flows of all services at all stages of the value chain.	Category: mid-term risk. Level: medium.

Risk	Description	Risk management	Indicator
Risk of skilled personnel shortage	Cause: Recruitment, development and retention actions Effects: Insufficient qualifications and expertise of employees may have an adverse impact on the Company's financial performance.	The Company pays great attention to comprehensive staff development and implements programs aimed at training and attracting young talents, developing employee skills and improving employee motivation to increase the duration and efficiency of their work for the Company. Its HR strategy is based on the Development Strategy and staffing needs of the business units; to this end, the Company runs prompt recruiting campaigns and offers professional training/retraining courses.	Category: long-term risk. Level: medium.
Logistics risks	Cause: Most consumers of oil and oil products are distant from the regions where the Company runs its core business. Russian sea terminals have certain limitations associated with geographic location, weather conditions, and capacity. Within Russia, oil products are transported mainly by pipelines or railroad belonging to natural monopoly holders and their pricing policy is determined by government authorities to ensure the balance of interests between the government and all participants in the transportation process. Effects: The Company depends on the maturity of transport infrastructure, its normal uninterrupted functioning and access to this infrastructure.	The region where the Company runs its core business has transport and other infrastructure. The Company monitors the development and maintenance of the transport infrastructure required to deliver oil and petroleum products to buyers, keeps an eye on the tariff policy and actively participates in the relevant industrial discussions or initiatives. The Company has a large tank farm for storing commercial stocks of oil and petroleum products, which can be also used during extraordinary disruptions in the operation of the transport infrastructure.	Category: long-term risk. Level: medium.
Risks of industrial and environmental safety	Cause: The operation of complex technological assets related to hazardous production facilities. Effects: Threats of injuries, potential danger to lives and health of employees, environmental harm and a negative impact on the local population.	The Company has developed a comprehensive program aimed at mitigating negative situations associated with industrial and environmental risks. The Company continuously implements new technical and organizational activities to minimize the impact of such risks. The Company also provides liability insurance for several facilities. Comprehensive actions in this area have yielded the reduction of environmental footprint to the level where there is a potential for ecosystems to self-recover. To improve the efficiency of industrial and environmental safety management, the Company has introduced the management system in compliance with international standards ISO 14001-2015 and ISO 45001:2018.	Category: long-term risk. Level: high.
Information security risk	Cause: Potential exploiting of vulnerabilities of the Company's IT systems Effects: Losses caused by the Company's property and assets as a result of unauthorized access to its information systems or disclosure of confidential information	The Company implements a set of measures to ensure the integrity, accessibility and confidentiality of its information resources. In order to control access to information resources and systems, it employs an array of hardware and software to identify incidents jeopardizing information security. The Company conducts regular audits in order to ensure strict compliance with the Privacy Policy. To increase the awareness of employees with respect to information security requirements, training on cyber security is systematically carried out. The Board of Directors approved the Cybersecurity and Cyber Resilience Policy.	Category: long-term risk. Level: high.
Economic security risk	Cause: Potential offenses caused by unscrupulous actions of the Company's employees or third parties Effects: Damages to the Company's property and assets as a result of offenses committed by the Company's employees or third parties, including fraud or theft.	The Company takes steps to prevent potential damage to its property and assets as a result of offenses, these including access control, a clear division of responsibilities in concluding contracts or transactions, arrangements for keeping and protecting commercial secrets, due diligence in respect of counterparties before entering into a contract, and setting a Hotline. In addition, the Company's departments of economic and financial security conduct selective inspections.	Category: long-term risk. Level: medium.

INTERNAL DOCUMENTS OF THE COMPANY

Internal documents of the company

- Articles of Association of PJSC TATNEFT n.a. V.D. Shashin
- Regulations on the General Meeting of Shareholders of PJSC TATNEFT n.a. V.D. Shashin
- Regulations on the Board of Directors of PJSC TATNEFT n.a. V.D. Shashin
- Regulations on the Audit Committee of the Board of Directors of PJSC TATNEFT n.a. V.D. Shashin
- Regulations on the HR and Remuneration Committee of the Board of Directors of PJSC TATNEFT n.a. V.D. Shashin
- Regulations on the Sustainable Development and Corporate Governance Committee of the Board of Directors of PJSC TATNEFT n.a. V.D. Shashin
- Regulations on the General Director of PJSC TATNEFT n.a. V.D. Shashin
- Regulations on the Management Board of PJSC TATNEFT n.a. V.D. Shashin
- Regulations on the Revision Commission of PJSC TATNEFT n.a. V.D. Shashin
- Corporate Governance Code of PJSC TATNEFT n.a. V.D. Shashin
- PJSC TATNEFT n.a. V.D. Shashin Policy on Sustainable Development and Interaction with Stakeholders
- Risk Management and Internal Control Policy of PJSC TATNEFT n.a. V. D. Shashin
- Regulations on the Dividend Policy of PJSC TATNEFT n.a. V.D. Shashin
- Regulations on the Corporate Secretary of PJSC TATNEFT n.a. V.D. Shashin
- Regulations on the Internal Audit Department of PJSC TATNEFT n.a. V.D. Shashin
- Regulations on the Information Policy of PJSC TATNEFT n.a. V.D. Shashin
- Regulations on the Information Disclosure to Shareholders of PJSC TATNEFT n.a. V. D. Shashin
- Regulations on the Insider Information of PJSC TATNEFT n.a. V.D. Shashin
- Regulations on the TATNEFT Group
- Anti-Corruption Policy of PJSC TATNEFT n.a. V.D. Shashin
- Cybersecurity and Cyber Resilience Policy
- Integrated Management System Policy of the TATNEFT Group
- Health, Safety and Environmental Policy of PJSC TATNEFT n.a. V.D. Shashin with considerations to climate change
- Human Rights Policy

GRI CONTENT INDEX

GRI 102-55

The Integrated Annual Report has been prepared in accordance with GRI 2021 Standards and Industry Standard GRI 11: Oil and Gas Sector 2021.

The Report was generated in accordance with the principles of sustainable development, completeness, balance, comparability, accuracy, timeliness, clarity, and verifiability. The list of material topics is presented in the Material Topics and Stakeholders section.

The scope of environmental indicators includes PJSC TATNEFT, Russian-based subsidiaries of PJSC TATNEFT and Foreign enterprise BRZ LLC.

			Industry Standard GRI 11: Oil and Gas Sector 2021	
Indicator Code	**Indicator Description**	**Comments**	**Indicator Code**	**Report page**
2	**General information (GRI 2021)**			
2-1	Organizational details			14
2-2	Entities included in the Company's reporting on sustainable development			4, 155
2-3	Reporting period, frequency, and contact person			4
2-4	Restatements of information			25, 205-207
2-5	External assurance			4, 274-278
2-6	Activities, value chain, and other business relationships			14, 28-29
2-7	Employees			158-159
2-8	Workers who are not payroll employees	The proportion of employees working under the civil law relations is 1.2% of the TATNEFT Group staff on the payroll.		-
2-9	Governance (management) structure and composition			95-97, 100, 106-112
2-10	Nomination and selection to the supreme governing body			99
2-11	Chair of the supreme governing body			100
2-12	Role of the supreme governing body in impact management supervision			33-37, 99, 102, 106-111, 126-127, 192-193

Indicator Code	Indicator Description	Comments	Industry Standard GRI 11: Oil and Gas Sector 2021 Indicator Code	Report page
2-13	Delegation of responsibility for impact management			112
2-14	Role of the supreme governing body in reporting on sustainable development			4, 8, 150-151
2-15	Conflict of interest			140-141
2-16	Reporting critical issues			99, 106
2-17	Collective knowledge of the supreme governing body			100
2-18	Assessment of the supreme governing body's activities			104
2-19	Remuneration policy			113-117
2-20	Process for determining remuneration			113-117
2-21	Annual coefficient of total compensation	The information is not disclosed for confidentiality reasons		-
2-22	Sustainable development strategy statement			32-37
2-23	Political commitments			33-37, 126-127, 134-135, 154, 272
2-24	Implementation of policy commitments			126-127, 134-135, 142, 150-151
2-25	Processes of elimination of negative impacts			146-147
2-26	Advice and concerns mechanisms			134-135, 146-147, 245
2-27	Compliance with laws and regulations	No significant cases of noncompliance with the law occurred during the period under report		-
2-28	Membership associations (membership in associations)			192, 272-273
2-29	Approach to stakeholder engagement			8, 122-124, 153, 245
2-30 UN GC Principle 3 RUIE — 3.1.4	Collective bargaining agreements			173-175
3	**Material Topics (GRI 2021)**			
3-1	Procedure for determining material topics			8-10

Indicator Code	Indicator Description	Comments	Industry Standard GRI 11: Oil and Gas Sector 2021 Indicator Code	Report page
3-2	List of material topics			10
3-3	Material topics management	The main material topics management approaches are disclosed in the relevant sections of the Report		58-60, 66-67, 134-135, 142, 144-145, 146-147, 150-151, 154, 156, 167, 176-178, 188-191, 214, 226, 232, 242-245, 250
3-3	**Contribution to the environment protection (Environmental expenditures, environmental investments)**			**199-201**
	MATERIAL TOPICS			
	GHG Emissions		**11.1**	
3-3	Material topic management		11.1.1	188-193
UN GC Principles 8, 9	Utilization of associated petroleum gas		11.1.1	212-213
302	**Energy (GRI 2016)**			
302-1 UN GC Principles 7, 8 RUIE — 2.2	Energy consumption within the Company		11.1.2	234-235
302-2	Energy consumption outside the Company		11.1.3	235
302-3	Energy capacity		11.1.4	235
305	**Emissions (GRI 2016)**			
305-1 UN GC Principles 7, 8 RUIE — 2.5	Direct GHG emissions (Scope 1)		11.1.5	205-206
305-2	Indirect energy emissions GHG emissions (Scope 2)		11.1.6	205
305-3	Other indirect GHG emissions (Scope 3)		11.1.7	206
305-4	GHG emission intensity		11.1.8	207
	Occupational and labor safety Medical and healthcare services		**11.9**	
3-3	Material topic management		11.9.1	176-178

Indicator Code	Indicator Description	Comments	Industry Standard GRI 11: Oil and Gas Sector 2021 Indicator Code	Report page
403	**Occupational Health and Safety (GRI 2018)**			
403-1	Occupational and industrial safety management system		11.9.2	177-178
403-2 RUIE — 3.1.5, 3.1.6, 3.1.7, 3.1.8	Hazard identification, risk assessment, and incident investigation		11.9.3	179-181
403-3	Occupational safety service		11.9.4	182-183
403-4	Workers' participation, consultations and communications on occupational and labor safety		11.9.5	182-183
403-5	Training workers in occupational and labor safety		11.9.6	183
403-6	Promotion of workers' health		11.9.7	165-166, 268-271
403-7	Prevention and mitigation of health and safety consequences at work		11.9.8	165-166, 184, 268-270
403-9	Work-related injuries		11.9.10	185-187
403-10	Occupational diseases		11.9.11	186
	Digitalization and cybersecurity			
3-3	Material topic management			144-145
	Economic consequences		**11.14**	
3-3	Material topic management		11.14.1	242
201	**Economic Performance (GRI 2016)**			
201-1 RUIE — 1.2, 1.3, 1.4, 1.5	Direct economic value generated and distributed		11.14.2	28-29
202	**Market reach (GRI 2016)**			
202-2	Percentage of management hired from the local population	Due to the lack of a unified methodology, criteria for the selection of data for the calculation of this indicator and technical limitations of accounting systems for human resources, it is currently not possible to collect reliable data.	11.14.3	
203	**Indirect economic impacts (GRI 2016)**			
203-1	Investment in infrastructure		11.14.4	243, 245-246
204	**Procurement practice (GRI 2016)**			
204-1	Share of costs for local suppliers		11.14.6	74
	Employment practice. Education, professional development			
3-3	Material topic management		11.10.1	156, 167-169
401	**Employment (GRI 2016)**			
401-1 UN GC Principle 6 RUIE — 3.1.2, 3.1	New employee hires and employee turnover		11.10.2	159-160
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		11.10.3	167
401-3	Childcare leave	Due to the lack of a unified methodology, criteria for the selection of data for the calculation of this indicator and technical limitations of accounting systems for human resources, it is currently not possible to collect reliable data.	11.10.4	-
402	**Employee-management relationship (GRI 2016)**			
402-1	Minimum terms for notification of operational changes		11.10.5	167
404	**Education and development (GRI 2016)**			
404-1 UN GC Principle 6 RUIE — 3.1.10	Average number of hours of training per year per employee		11.10.6	169
404-2	Professional development programs for employees and employment assistance programs during the transition period		11.10.7	168-170
414	**Supplier social assessment**		**11.10.8 11.10.9**	
414-1	Suppliers selected in accordance with social criteria		11.12.3	68-70
	Innovations			
3-3	Material topic management			58-60
	Air emissions		**11.3**	

Indicator Code	Indicator Description	Comments	Industry Standard GRI 11: Oil and Gas Sector 2021 Indicator Code	Report page
3-3	Material topic management		11.3.1	188-189
305	**Emissions (GRI 2016)**			
305-7 UN GC Principles 7, 8 RUIE — 2.6	Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	The Company does not use persistent organic pollutants, nor does it produce them. The quantities of dangerous air pollutants produced by the Company are small.	11.3.2	210-211
416-1	Assessment of the impact of products and service categories. Actions taken to improve product quality to reduce emissions into the atmosphere		11.3.3	58-63, 78
	Local communities		**11.15**	
3-3	Material topic management			150-152, 242
413	**Local communities (GRI 2016)**			
413-1	Work with the participation of the local population		11.15.2	245, 248, 250-252
	Critical Incident Management		**11.8**	
3-3	Material topic management		11.8.1	176-179
306	**Waste (GRIP 2020)**			
306-3	Significant spills	Natural and man-made emergencies are classified in accordance with the legislation of the Russian Federation. The report contains information on the number of man-made incidents that have occurred.	11.8.2	180
	Cultural and social projects			
3-3	Material topic management			264-266
	Climate change		**11.2**	
3-3	Material topic management		11.2.1	188-191
201	**Economic indicators (GRI 2016)**			
201-2	Financial implications and other risks and opportunities associated with climate change		11.2.2	84-91, Прило-жение 2 «Ключевые риски»

Indicator Code	Indicator Description	Comments	Industry Standard GRI 11: Oil and Gas Sector 2021 Indicator Code	Report page
305	**Emissions (GRI 2016)**			
305-5 UN GC Principle 8	Reduction of GHG emissions		11.2.3	208-209
	Waste		**11.5**	
3-3	Material topic management		11.5.1	188-193
306	**Waste (GRI 2020)**			
306-1	Waste generation		11.5.2	222-223
306-2 UN GC Principle 8 RUIE — 2.8	Waste-related negative impact management		11.5.3	222
306-3 UN GC Principle 8 RUIE — 2.9	Waste generated		11.5.4	222-224
306-4 UN GC Principle 8	Wastes diverted from disposal	The Company did not reuse (recycle) the wastes for their intended purpose in 2023.	11.5.5	224-225
306-5 UN GC Principles 8, 9	Wastes directed to disposal		11.5.6	224
	Youth policy			
3-3	Material topic management			170-171
	Water and effluents		**11.6**	
3-3	Material topic management		11.6.1	214, 188-193
303	**Water and effluents (GRI 2018)**			
303-1	Interaction with water as a shared resource		11.6.2	214
303-2	Management of impacts related to water discharge		11.6.3	214, 220-221
303-3 UN GC Principles 7, 8 RUIE — 2.3	Water withdrawal		11.6.4	216
303-4	Water discharge		11.6.5	220
303-5	Water consumption		11.6.6	215-217
	Charity			

Indicator Code	Indicator Description	Comments	Industry Standard GRI 11: Oil and Gas Sector 2021 Indicator Code	Report page
3-3	Material topic management			250-251
	Biodiversity		**11.4**	
3-3	Material topic management		11.4.1	188-193
304	**Biodiversity (GRI 2016)**			
304-1 UN GC Principle 8	Areas of protected areas located in the region of activity		11.4.2	228
304-2 UN GC Principle 8	Impact of activities on biodiversity		11.4.3	226
304-3 UN GC Principle 8	Habitat protection or restoration		11.4.4	227, 229-231
304-4 UN GC Principle 8	Species from the IUCN Red List and species from national conservation lists with habitats in the areas affected by operations		11.4.5	228
	Resource efficiency			
3-3	Material topic management			188-193, 232
302-1	Energy consumption within the organization from non-renewable and renewable energy sources			234-235
302-3	Energy intensity			235
302-4 UN GC Principles 8, 9	Reduction of energy consumption			233
	Infrastructure Transformations			
3-3	Material topic management			242-244
	Ethics and integrity			
3-3	Material topic management			134-135
	TOPICS NOT CONSIDERED MATERIAL	The analysis showed that some topics in the GRI 11 Oil & Gas Standard 2021 were not considered material by stakeholders. The Company believes that these topics are regulated in detail by national legislation and do not need to be further regulated by internal standards. However, some topics identified as not material are partially disclosed in this report.		
	Nondiscrimination and equal opportunities		**11.11**	
405	**Diversity and equal opportunities (GRI 2016)**			
405-1	Diversity of governing bodies and employees		11.11.5	102, 158-160
405-2	Ratio of basic wages and remuneration of women and men		11.11.6	161-163
406	**Nondiscrimination (GRI 2016)**			
406-1 UN GC Principle 6	Cases of discrimination and corrective actions taken	No cases of discrimination were on record	11.11.7	79, 155, 156
	Freedom of association and collective bargaining		11.13	
407	**Freedom of association and collective bargaining (GRI 2016)**			
407-1 UN GC Principle 3	Operations and suppliers where the right of freedom of association and collective bargaining may be at risk		11.13.2	68-71
	State policy			
415	**State policy (GRI 2016)**			
415-1	Political contributions	In accordance with internal regulations, the Company does not participate in the activities of political parties and movements, nor does it provide any financial support, either directly or indirectly.	11.22.2	-
	Conflicts and security		**11.18**	
410	**Security practice (GRI 2016)**			
410-1	Security personnel trained in human rights policy or procedures		11.18.2	170
	Payments to governments		**11.21**	
	Economic indicators (GRI 2016)			
201-1 RUIE — 1.2, 1.3, 1.4, 1.5	Direct economic value generated and distributed		11.21.2	28-29
201-4	Financial assistance received from the government		11.21.3	81
207	**Taxes (GRI 2019)**		**11.21**	
207-1	Approach to taxation		11.21.4	82-83

Indicator Code	Indicator Description	Comments	Industry Standard GRI 11: Oil and Gas Sector 2021 Indicator Code	Report page
207-2	Tax administration, control, and risk management		11.21.5	82-83
207-3	Stakeholder engagement and resolution of tax-related issues		11.21.6	82-83
	Conservation and restoration of production facilities		**11.7**	**231**
	Land and resource rights		**11.16**	**231**
	Additional information: ↗ - places of operations that caused or contributed to the forced relocation of the local population	There have been no cases of forced resettlement of local communities or individuals as a result of decisions taken in relation to land issues in the Company's operations.	11.16.2	-
	Anticompetitive behavior		**11.19**	
	Anticompetitive behavior (GRI 2016)			
206-1	Lawsuits for anticompetitive behavior	For the period from 2021 to 2023, the Company did not commit any violations of the antimonopoly legislation nor did it incur any significant fines	11.19.2	144
	Rights of indigenous peoples		**11.17**	
3-3	Material topic management		11.17.1	267
411	**Rights of indigenous peoples (GRI 2016)**			
411-1 UN GC Principles 1, 2 RUIE — 3.2.3	Cases of violation of the rights of indigenous peoples	In 2023, there were no conflicts with indigenous peoples and no cases of violations affecting the rights of indigenous peoples and small ethnic communities.	11.17.2	267
	Additional information: ↗ - places of activity where indigenous peoples are present or affected by activities		11.17.3	267
	Forced labor		**11.12**	
3-3	Material topic management		11.12.1	154
414	**Social assessment of suppliers (GRI 2016)**			
414-1	Suppliers selected according to social criteria		11.12.3	68-70
	Anti-corruption		**11.20**	
3-3	Material topic management		11.20.1	142
205	**Anti-corruption (GRI 2016)**			
205-1 UN GC Principle 10	Operations assessed for corruption-related risks		11.20.2	143
205-2 UN GC Principle 10	Training on anti-corruption procedures		11.20.3	143
205-3 UN GC Principle 10	Confirmed incidents of corruption and actions taken		11.20.4	143
	Additional information: ↗ transparency of procurement procedures ↗ public disclosure of licenses	www.fedresurs.ru	11.20.5	
	↗ beneficial owners	PJSC TATNEFT does not have any beneficial owners in accordance with the interpretations of the applicable legislation. Further information on the equity share capital structure is disclosed in accordance with the legislation of the Russian Federation on the official website https://www.tatneft.ru	11.20.6	-

Additional indicators of GRI thematic standards reflected in the Report

202-1	Ratio of the standard entry-level wage by gender compared to the local minimum wage		161
201-3 RUIE — 1.8	Defined pension plan obligations and other retirement obligations		164-165
301-1	Materials used for production and packaging		80
301-2	Share of recycled, source materials used for the manufacture of products		236-237
305-6 UN GC Principles 7, 8	Emissions of ozone-depleting substances	The Company does not use ozone-depleting substances on an industrial scale, nor does it produce them.	212
308-1	Environmental assessment of suppliers		70-71
404-3	Professional development programs for employees and employment assistance programs during the transition		167-170

Indicator Code	Indicator Description	Comments	Industry Standard GRI 11: Oil and Gas Sector 2021 Indicator Code	Report page
408	Use of child labor	The Company adheres to the regulations of the Russian and international law and does not use forced, compulsory or child labor.		
409	Use of compulsory or forced labor			156
416-2	Cases of noncompliance with requirements regarding the impact that products and services exert on health and safety			79
417-1	Requirements for information and labeling of products and services			78-79
417-2	Cases of noncompliance with products and services information and labeling requirements			78-79
417-3	Cases of noncompliance with marketing communications requirements			78-79
418	Customer Privacy			80

SASB INDUSTRY STANDARD INDEX (VERSION 2023-12)

OIL & GAS – EXPLORATION & PRODUCTION

Topic:	Metric Code	Metric Description	Comments	Page # in the Report
Greenhouse gas emissions	EM-EP-110a.1	Greenhouse gas emissions (Scope 1)		203, 205
		Percentage of methane emissions within Scope 1. Percentage of greenhouse gas emissions covered under emissions-limiting regulations	There are no limiting standards for greenhouse gas emissions in the Russian Federation	
	EM-EP-110a.2	Direct greenhouse gas emissions ↗ (Scope 1) broken down by: ↗ Flared hydrocarbons ↗ Other combustion ↗ Process emissions ↗ Other vented emissions ↗ Fugitive emissions		206
	EM-EP-110a.3	Description of long-term and short-term strategy or plan to manage direct greenhouse gas emissions (Scope 1), emissions reduction targets, and an analysis of performance against those targets		188-191
Air quality	EM-EP-120a.1	Air emissions of the following pollutants: ↗ NOx (excluding N_2O) ↗ SOx ↗ Volatile organic compounds (VOCs) ↗ Particulate matter (PM_{10})	Under the RF legislation, PM_{10} particulate matter emissions are not standardized at the facilities with negative environmental impact, there are no methodologies for calculating PM_{10} particulate matter emissions. The report includes the information on particulate matter emissions, which also includes particulate matter PM_{10}, but it is not possible to isolate these emissions.	210-212
Workforce health and safety	EM-EP-320a.1	total recordable incident rate (TRIR) ↗ fatality rate, ↗ near miss frequency rate (NMFR) ↗ average hours of health, safety, and emergency response training for a) direct employees b) contract employees	The Company provides occupational health, safety and emergency response training to both its employees and contractors in accordance with the time standards established in the Russian Federation, which amounted to 56 hours per employee in 2023.	176, 185
	EM-EP-320a.2	Description of management systems used to integrate a culture of safety throughout the exploration and production lifecycle		176-178

Topic:	Metric Code	Metric Description	Comments	Page # in the Report
Water management	EM-EP-140a.1	↗ Total water withdrawn ↗ Total water consumed		215-216
		Percentage of water withdrawn/ consumed in regions with High or Extremely High Baseline Water Stress	The area of the Company's core operations is not located in a region experiencing fresh water shortages.	214
	EM-EP-140a.2	Volume of produced water and flowback generated Percentage of water: ↗ discharged ↗ injected ↗ recycled; Hydrocarbon content in discharged water		217
	EM-EP-140a.3	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	The percentage of wells drilled with hydraulic fracturing in 2023 was 7.52%. The chemical composition of the hydrofracturing fluid is classified by the Company as non-disclosure information. The Company produces oil within the licence boundaries of oil accumulations, which are predominantly confined to the Devonian and Carboniferous deposits. Such deposits are buried at considerable depths, completely isolating surface aquifers from contact with produced fluids and other process chemicals. The hydraulic fracturing technologies used by the Company take into account the requirements of environmental safety of water bodies and exclude damage to terrestrial and underground water resources, preventing pollutants from entering them.	
	EM-EP-140a.4	Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline		220

Topic:	Metric Code	Metric Description	Comments	Page # in the Report
Biodiversity impacts	EM-EP-160a.1	Description of environmental management policies and practices at operating enterprises		176-179, 192-194
	EM-EP-160a.2	↗ number and aggregate volume of hydrocarbon spills ↗ volume in Arctic, ↗ volume impacting shorelines with ESI rankings 8-10 ↗ volume recovered	The report provides the details of incidents that have been caused by man-made factors. The Company does not operate in the Arctic zone.	180
	EM-EP-160a.3	Percentage of: ↗ proved ore reserves within or near sites with protected conservation status or endangered species habitat ↗ probable ore reserves within or near sites with protected conservation status or endangered species habitat		226-228
Security, human rights and rights of Indigenous peoples Community relations	EM-EP-210a.1	Percentage of: ↗ proved reserves in or near areas of conflict and ↗ probable reserves in or near areas of conflict	The Company does not have proved and probable oil reserves within or near conflict zones.	
	EM-EP-210a.2	Percentage of: ↗ proved reserves within or near the indigenous land and ↗ probable reserves within or near indigenous land		267
	EM-EP-210a.3	Description of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	The Company does not operate in conflict-affected areas. The general approach is contained in the Company's Human Rights Policy	154-155, 173-175, 267
	EM-EP-210b.1	Description of process to manage risks and opportunities associated with community rights and interests	The general approach is contained in the Company's Human Rights Policy	154-155, 242-245, 268
	EM-EP-210b.2	Number and duration of nontechnical delays	The Company encounters non-technical delays in its operations due to natural/ technology-related/regulatory factors. There were no significant incidents during the period that could have affected technological processes or the rights of employees or local communities.	

Topic:	Metric Code	Metric Description	Comments	Page # in the Report
Reserves valuation and capital expenditures	EM-EP-420a.1	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	The Company uses a scenario-based approach to strategic planning. A range of strategic options are currently being tested for their potential to ensure the long-term sustainability of energy demand in a variety of scenarios, including those related to the global economy and energy development. The Company does not perform a scenario analysis that takes into account the price of carbon emissions separately (exclusively) by the level of hydrocarbon reserves	33-36
	EM-EP-420a.2	Estimated (potential) carbon dioxide emissions embedded in proved hydrocarbon reserves	There was no audit of oil reserves in 2023.	208
	EM-EP-420a.3	Amount invested in renewable energy sources (RES), revenue generated by renewable energy sales	In 2023, the Tatneft Group consumed the entire volume of energy generated from renewable sources at its facilities (There was no revenue generated from the sale of energy from renewable sources).	234
	EM-EP-420a.4	Description of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets		33-36
Business ethics and transparency	EM-EP-510a.1	Percentage of proved and probable reserves in countries that have the 20 lowest rankings in Corruption Perception Index	100% of the Company's proved and probable oil reserves are located in Russia.	
	EM-EP-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain		142-143
Management of the legal and regulatory environment	EM-EP-530a	Description of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry		126-130, 134-135, Annex 2 "Key Risks"
Critical incident risk management	EM-EP-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	The report provides the details of incidents that have been caused by man-made factors.	180
	EM-EP-540a.2	Description of management systems used to identify and mitigate catastrophic and tail-end risks		181 Annex 2 "Key Risks"

Topic:	Metric Code	Metric Description	Comments	Page # in the Report
Activity metrics	EM-EP-000.A	Extraction of: ↗ oil ↗ natural gas Production of: ↗ synthetic oil and ↗ synthetic gas	In terms of synthetic gas: in the technological process chains of oil refining, by-products are synthesized in the form of gaseous compounds, which can be supplied for further processing, or their own consumption by processing plants or refineries. The proportion of such gaseous compounds is not significant and therefore not subject to separate accounting.	25, 236 - 238
	EM-EP-000.B	Number of offshore fields	The Company does not have offshore oil and gas fields	
	EM-EP-000.C	Number of onshore fields	Oil and condensate fields - 160; Condensate and gas fields - 8	

(OIL & GAS — REFINING & MARKETING)

Subject:	Metric Code	Metric description	Comments	Page # in the Report
Greenhouse gas emissions	EM-RM-110a.1	Gross Greenhouse Gas Emissions (Scope 1)		203, 205
		Percentage of greenhouse gas emissions covered under emissions-limiting regulations	There are no limiting standards for greenhouse gas emissions in the Russian Federation	
	EM-RM-110a.2	Description of long-term and short-term strategy or plan to manage direct greenhouse gas emissions (Scope 1), emissions reduction targets, and an analysis of performance against those targets		188-191
Air quality	EM-RM-120a.1	Air emissions of the following pollutants: ↗ - NO_x (excluding N_2O) ↗ - SO_x ↗ - Particulate matter (PM_{10}) ↗ - H_2S ↗ - VOC_s	Under the RF legislation, PM_{10} particulate matter emissions are not standardized at the facilities with negative environmental impact, there are no methodologies for calculating PM_{10} particulate matter emissions. The report includes the information on particulate matter emissions, which also includes particulate matter PM_{10}, but it is not possible to isolate these emissions.	210-212
	EM-RM-120a.2	Number of refineries in or near areas of dense populations	There are two oil refineries: ↗ - industrial zone, Nizhnekamsk ↗ - production site, Almetyevsk. Additional information. ↗ There are two petrochemical plants: ↗ - rubber production, industrial zone, ↗ . Tolyatti (Togliatti) ↗ - carbon black production, industrial zone, Nizhnekamsk	
Water management	EM-RM-140a.1	↗ Total water withdrawn ↗ Total water consumed Percentage of water withdrawn/ consumed in regions with High or Extremely High Baseline Water Stress	The area of the Company's core operations is not located in a region experiencing fresh water shortages.	215-216, 214
	EM-RM-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations		220
Hazardous Materials Management	EM-RM-150a.1	Amount of hazardous waste generated, percentage recycled		222-223, 236-237
	EM-RM-150a.2	↗ Number of underground storage tanks (USTs), ↗ Number of UST releases requiring cleanup, and ↗ Percentage in states with UST financial assurance funds	The Company classifies information on underground reservoirs as non-disclosure information. All underground storage tanks (UST) are subject to accounting and verification by the Federal Service for Environmental, Technological and Nuclear Supervision (Rostechnadzor). There were no incidents with underground storage tanks (UST) in the reporting year.	
Workforce health and safety	EM-RM-320a.1	↗ total recordable incident rate (TRIR) ↗ fatality rate, ↗ Total recordable incident rate (TRIR) (near miss frequency rate (NMFR)) for (a) full-time employees and (b) contract employees	Contractor organizations do not keep separate records of working time at the Company's facilities, and, accordingly, there is no possibility of obtaining baseline data for calculating these coefficients.	185
	EM-RM-320a.2	Description of management systems used to integrate a culture of safety		176-178
Product Specifications & Clean Fuel Blends	EM-RM-410a.2	Total addressable market and share of market for advanced biofuels and associated infrastructure	Due to the recent commencement of pilot operations, the volume of renewable biofuels produced is currently insignificant, and the market share has not yet been estimated.	
	EM-RM-410a.3	Volumes of renewable fuels for fuel blending: ↗ - net production volume, ↗ - net volume of purchases		236-238
Pricing Integrity & Transparency	EM-RM-520a.1	Total amount of monetary losses as a result of legal proceeding associated with price fixing or price manipulation		144
Management of the legal and regulatory environment	EM-RM-530a.1	Description of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry		126-130, 134-135, Annex 2 "Key Risks"
Critical incident risk management	EM-RM-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1) and lesser consequence (Tier 2)	Natural and man-made emergencies are classified in accordance with the legislation of the Russian Federation. The report provides the details of incidents that have been caused by man-made factors.	180
	EM-RM-540a.2	Challenges to Safety Systems indicator rate (Tier 3)		
	EM-RM-540a.3	Description of measurement of Operating Discipline and Management System Performance through Tier 4 Indicators		

Subject:	Metric Code	Metric description	Comments	Page # in the Report
Activity metrics	EM-RM-000.A	Refining throughput of crude oil and other feedstocks	The Company treats the data on crude oil refining throughput and by-product volumes as non-public information and not subject to disclosure.	
	EM-RM-000.B	Refining operating capacity	Designed oil refining capacity 17.8 million tonnes per year	

TCFD INDEX

TCFD Recommendations		Placement in the Report (page number)
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2. Strategy		
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2.2	Description of the impact of climate-related risks and opportunities on the business, strategy, and financial planning of the Company	36
2.3	Assessment of the sustainability of the Company's strategy taking into account various climate-related scenarios, including scenarios of temperature increase by 4 °C and 2 °C.	36
3. Climate risk management		
3.1	Description of the processes of identification and assessment of climate risks	126-130, 194-196
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3.3	Description of the integration of the processes of identification, assessment, and management of climate risks into the overall risk management system	126-130, 194-196
4. Metrics and targets		
4.1	Description of the indicators used by the Company to assess climate-related risks and opportunities in accordance with its risk management strategy and processes	204-207
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4.3	Description of the objectives used by the Company to manage climate-related risks and opportunities and the effectiveness of achieving targets	190-191, 198, 208-209

LIST OF ABBREVIATIONS

GS	Gas Station, fuel filling station
GDP	Gross Domestic Product
HEI	Higher Educational Institution
GOST	National Standard
BPS	Booster Pumping Station
CHC	Children's Holiday Camp
RTA	Road Traffic Accident
KPI	Key Performance Indicators
MWR	Minimum Wage Rate
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
VERT	Volunteer Emergency Response Team
NGDU	Oil and Gas Field Operating Division
WPT	Windfall Profits Tax
MET	Mineral Extraction Tax
VAT	Value-Added Tax
R&D	Research and Development
NPO	Nonprofit Organization
STC	Science and Technology Center
UN	United Nations
NCA	Nature Conservation Area
OECD	Organization for Economic Cooperation and Development
PJSC	Public Joint Stock Company
HSE	Health, Safety, and Environment
AES	Advanced Engineering School
APG	Associated Petroleum Gas
RPM	Reservoir Pressure Maintenance
PET	Polyethylene Terephthalate
RUIE	Russian Union of Industrialists and Entrepreneurs
RT	Republic of Tatarstan
RF	Russian Federation
SVO	Super Viscous Oil
Media	Mass Media
SVS	Secondary Vocational School
RMICS	Risk Management and Internal Control System
FEC	Fuel and Energy Complex
TPP	Thermal Power Plant
VR	Vapor Recovery
UTNGP	Tatneft Gas Processing Division (Tatneftegazpererabotka Division)
SDG	Sustainable Development Goals

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